

The Nation

Vol. CIV

NEW YORK, THURSDAY, MARCH 8, 1917

No. 2697

The Week

THE full admission of the authenticity of Herr Zimmermann's note, made by the German Foreign Office itself, must knock flat the few remaining doubters in this country. George Viereck and the handful of others who have been shouting fraud and forgery will now have to maintain silence for at any rate a grateful interval. Their assertions that Germany was incapable of such an act of duplicity have had, however, a certain value; for they now leave the German Government convicting itself out of its own mouth of a course which its champions in this country had vehemently declared would be both stupid and base. Stupid and base it does, indeed, stand forth. And in the explanation which the German Foreign Office now gives appears again the amazing inability of the German mind to understand how an act of turpitude must be viewed by the ordinary mind. The complaint is, first, of the "treachery" through which Herr Zimmermann's note came into the hands of the American Government. Next is the virtuous wonder how anybody could question Germany's "right" and even "duty" to make preparations for a possible war with the United States. Great emphasis is laid upon the fact that the plot of a hostile alliance with Mexico and Japan was to be sprung only in case war was certain. But this is very like what the Belgians said about their "military conversations" with England. They were to lead to nothing unless Germany invaded Belgian territory. We know with what holy wrath the German authorities protested against the interpretation. Now they advance one of exactly the same kind in their own defence. But they have this advantage in their hypocrisy—no one any longer believes in the sincerity of the German Foreign Office.

THE address which von Bethmann-Hollweg made before the Reichstag on Tuesday of last week should be taken impersonally, as the best that could be said for the plight into which Germany had been brought by her rulers. To begin with, there is the following definition of true German policy—the solemn declaration of Germany's aims and hopes as regards the United States—made by the German Government on the 4th of last May in the note handed to Ambassador Gerard by the Foreign Minister, von Jagow:

The German Government feels all the more justified to declare that the responsibility could not be borne before the forum of mankind and history if, after twenty-one months' duration of the war, the submarine question under discussion between the German Government and the Government of the United States were to take a turn seriously threatening the maintenance of peace between the two nations.

There it is—peace with the United States an essential of German policy! To maintain it, every reasonable concession had to be made. If the unrestricted use of submarines threatened that peace, then the submarines must be held within the rules of cruiser warfare. Germany did so promise to hold them, and it was all for the sake of remaining

on friendly terms with the United States. But less than a year later, the German Government took a gambler's chance with the United States, and lost! Reversing its policy, it hoped to escape the consequences of which it had been plainly warned, and now professes surprise and disappointment that it is brought face to face with those consequences. We insist that an intelligent and cool-headed German, with this record glaring at him, could not fail to see that his own Government was tacitly confessing to a very bad case of mishandling its foreign policy.

THIS impression is only heightened by the Chancellor's assumed astonishment at what happened. President Wilson broke off relations "brusquely." No authentic communication of his reasons reached Berlin. "This form of breaking off relations between great nations living in peace is probably without precedent in history." But who can be deceived by this? The most deliberate official notice had been served by the President upon the German Government of exactly what he would do. "The Government of the United States can have no choice but to sever diplomatic relations with the German Empire altogether." Nothing could be more explicit than that. And the Chancellor's protests now simply prove that he did not believe that President Wilson would do what he had said he would. The Chancellor, however, makes several good debating points. He denies, what has rashly been asserted by American newspapers, that Germany "violated" her submarine pledges. The President has correctly stated that Germany "withdrew" those pledges, or decided to "disregard" them. They were avowedly contingent. The German Government reserved its liberty to recall them. There has been no question that it was free to do so if it saw fit; the real question was whether it was not guilty of blind folly in actually recalling them. What von Bethmann-Hollweg alleges about American neutrality having been one-sided is partly true. Our Government has not been so insistent in protesting against English infringement of our neutral rights as it has been in the case of German. But the Chancellor himself innocently furnishes the reason for the difference. Our complaints against England have had to do with property; against Germany, with life. To this the Chancellor retorts that the British also would have sacrificed American lives if it had been to their interest to do so. But this is too much in the manner of an undergraduate debate. A criminal does not get off by asserting that somebody else would have been as bad if convenient. The only question is what he did, and what punishment he deserves.

IT is rather beside the point to argue the failure of the new submarine warfare from the fact that February's tonnage losses show at most an increase of 20 per cent. over the two preceding months. The destruction of nearly half a million tons of shipping is a serious drain on Allied resources, and if the U-boat ravages were nearly as heavy in January or last December, it simply shows that the old submarine warfare is not much milder than the new war-

fare. It is no doubt an excellent point against the sincerity of the German Government to show that it was probably as frightful as it could be before it gave notice to the world. But to profess that a half-million loss in tonnage is insignificant because von Reventlow predicted a million tons a month, is winking at a hard fact. The month of March may see an intensification of the U-boat campaign. This has been hinted at in warnings from official English sources. The reason would be that by the second week in March all the submarines sent out under the new rules will have done their work, reported, and been sent out again for a new effort. This must be the meaning of the statement from Berlin that the lost Dutch grain ships could have had absolute safety after March 17. In the second half of the present month it is extremely probable that we may expect as heavy strokes against Allied shipping as marked the first few days of the new campaign in February.

BUT it is one thing to minimize the activity of the submarines and another to speak of England brought to her knees in three months, or even in six. Nothing ever happens quickly in the present war. There are no lightning strokes except in the Reichstag speeches and in the German editorials. Battles last weeks and months. Or, if a swift victory is achieved, like Mackensen's in Galicia two years ago or Falkenhayn's in Transylvania last year, the fruits of the victory take months in the garnering and are never complete. On the sea as on land, the struggle is one of exhaustion, and, from the German point of view, in spite of all loud professions, the sea war is only a co-factor with the land war in the painful competition of nerves and physical endurance. It is not without significance that German naval experts warn their public against exaggerated hopes based on the submarines, and that in both camps more and more attention is being directed to the prospects of the spring campaign on land. Not an England starved into surrender, but an England weakened in its effort, is the purpose of the submarines.

CARRANZA and not Villa was the man with whom Herr Zimmermann instructed his agents to get into touch for an alliance against the United States. This shows the German Government's opinion of who's who in Mexico. To be sure, German official information regarding conditions abroad is almost invariably wrong, but in the present instance we have confirmation from our own official sources and from the obvious state of facts. One of our Consuls in Mexico reports to the State Department that Villa has been eliminated from the situation because of his physical condition. As a matter of fact, it is a month since the last of Pershing's men recrossed the border, and the renewed Villista campaign that was to prove the folly of American withdrawal has not materialized. The Villista forces that were reported to be occupying Chihuahua towns as fast as we left them were obviously recruited in the El Paso telegraph office. It may be premature to speak of the rebel power in northern Mexico as utterly broken, but every day that passes will deepen the impression that Carranza was partly justified in his complaints that only the presence of an invading army of the United States was responsible for the upflare of insurrectionary activity.

WE say Carranza was partly right, because there can be no doubt that the troubles of Chihuahua were largely owing to the inefficiency of his military representatives there. Gen. Trevino, who was in command of the Constitutionalist forces in Chihuahua before and after the raid on Columbus, was either fearfully incapable or more than usually corrupt; probably he was both. His successor, Murguia, appears of the opposite type. Whereas Trevino never seemed able to get in touch with the Villista forces, Murguia lost no time in hunting out the principal rebel bands, bringing them to battle, and crushing them as decisively as Obregon himself crushed the bandit when the latter was at the height of his swing. To Carranza, whatever his defects, we have always conceded the high merit of not only finding capable generals to fight his battles—Obregon, Gonzalez, Murguia, and others—but of holding their loyalty. Apparently, there was more than sheer bravado in the Constitutional Assembly at Guerrero, working at the reconstruction of Mexico, while the northern States were apparently aflame. There must have been confidence in the outcome. To-day the people of the United States are too much occupied with other affairs to observe the vindication of watchful waiting in Mexico. Critics of Mr. Wilson's methods will certainly be too much occupied.

THE report that the State Department "has under discussion with the Cuban Government a proposal to send an American Commission to Cuba to arbitrate between the Government and the rebels" might be credible but for one consideration. Last week was published a statement of our Government to the Santiago Chamber of Commerce, declaring that although Washington was eager to employ all means to effect a constitutional settlement of disputes, "while those individuals who have risen against the Government do not lay down their arms, do not declare their fidelity to the Government, and do not return to their peaceful occupations, the Government of the United States cannot take any other step." The determination of the United States not to recognize the rebels in any way has been otherwise evinced. It is clear that we shall serve Cuba and ourselves best by showing that so long as the discontent takes the form of revolt, it cannot be open to compromise. Our attitude has already given Havana complete confidence in itself, and discouraged the Liberal extremists. Whether, after the rebels have laid down their arms and accepted punishment, the United States might not attempt to straighten out the election tangle in a way satisfying fair-minded men on both sides is another matter.

SECRETARY HOUSTON'S statement on the food situation is in refreshing contrast with much that has been emitted on the subject. It is admirable both in what it says and in what it refuses to say. "A full and satisfactory explanation of prevailing prices," it notes, "is not possible on the basis of existing knowledge," and it strikes a rather heavy blow at the pretensions of our cocksure critics by remarking that "no one can state with certainty" where the food supply is situated, who owns it, what may be the difficulties of obtaining it, whether the local market conditions are due to shortage of cars, or whether there is artificial manipulation or control. What, then, can be stated with certainty? For answer, we must refer the reader to the statement itself. An example is what it says about

the wheat crop. Although the acreage was large last year and the yield relatively small, the crop was eight-ninths of the five-year average. Whence, then, the alarm over a possible scarcity of bread? Here is the Secretary's diagnosis:

Apparently, the public has compared the crop of 1916 solely with the record crop of 1915, and failed to take into account the unusually large carry-over from that year into the present year of 164,000,000 bushels or more. Furthermore, its attention has been fixed on the large exports of the two years immediately following the outbreak of the war. The exports of wheat in normal times are approximately 105,000,000. . . . Looking only at the crop of 640,000,000 bushels and having in mind the possibilities of export as suggested by the figure of 332,000,000 for 1914-15, the public naturally apprehended that there would be a lack of bread.

THE Senate followed the House in passing the \$50,000,000 Flood Control bill. Thus is finally successful the determined movement for a new national defence against floods which began following the inundations along the Ohio and Mississippi in 1913—inundations costing more than 400 lives and \$180,000,000. The amount carried by the bill is just about equal to the estimated annual loss from floods in the United States. The bill is a far cry from the one hastily proposed by Senator Newlands in 1913 for the annual blanket appropriation of sixty millions of flood control. To this it was objected that all the flood conditions should be studied before a definite campaign was planned. The money now appropriated goes to two streams where methods of flood control have been well worked out. It will suffice to give a thorough test to these methods preliminary to applying them elsewhere, and with the least possible danger of waste will serve an experimental purpose. Moreover, along the lower Mississippi local or State bodies must expend half as much as the Government, and along the Sacramento fully as much.

MUCH more than \$50,000 represents the cost to the country of the leak investigation which now finds that the only leakage of consequence was in Mr. Tom Lawson's untamed imagination and vocabulary. Count the cost of white paper consumed every day by the pageful in every town and village. Count the cost in wear and tear on the public's nerves, the violation of the elementary laws of reason and common-sense, the loss of respect for a Congress that has no wide margin of esteem to work on at best. One can understand how partisan motive would send Republican Congressmen hotfoot in search of something "on" the Administration. It is harder to forgive the panic of Democratic Congressmen in the face of a supposedly "moral" issue. Ignorance, malice, slander, cowardice, and, at bottom, insincerity marked as disgraceful an episode as memory can recall in the history of parliamentary morals in this country. The only compensation is in the completeness with which the crazy dance has broken down.

HARDLY had the Ohio Legislature bestowed the Presidential suffrage upon women when Indiana swung into line, the third State since the beginning of this year to give the suffrage by act of Legislature. The total number of electoral votes in the casting of which women have a voice is now 135. There is a good chance of the women of Arkansas obtaining suffrage under the provisions of

a bill already passed by the lower house which will give the privilege of voting in the primaries, and there is some hope for a similar measure in Texas. Of course, in those States in which a Presidential vote is granted by the Legislatures the women still have to battle on for complete suffrage. In Indiana a curious situation has arisen. Under the law just passed the women have the right to vote upon constitutional amendments. As the Hoosier State is likely to be voting upon a new Constitution before long, which will probably contain a complete suffrage provision, the women of the State will have the interesting experience of voting upon their own enfranchisement. In Ohio the anti-suffragists have vowed that they would bring about the repeal of the legislative grant by a referendum, counting on the two defeats at the polls in 1912 and 1914. The suffragists insist that this question of a Presidential vote cannot be submitted to the electorate for recall. If the courts hold with them, woman suffrage is saved in Ohio.

THE *Nation* presents in a special supplement to-day a variety of interesting points of view on the financial situation, here and abroad, which has been created by the war. Perhaps the most striking judgment on the results of the world-wide economic strain is that of Mr. Withers, editor of the London *Economist*, on England's economic outlook. We have heard much, since the very beginning of the war, regarding the inevitable change which must come in the financial conditions and relations of the states now indulging in so prodigious a waste of their national wealth. The vague possibility of "economic exhaustion" or repudiation of debt has been discussed without leading to any confident conclusions. Mr. Withers, however, deals with a very different aspect of the problem; which he states as "devastating war, on a scale that would hardly have been thought possible ten years ago, combined with a real improvement in the standard of comfort of a great majority of the population." This paradox he ascribes to the fact that under the spur of war England is working harder, spending less for luxuries and frivolities, and "speeding up" her efficiency of production, as her people have never done before. The result is seen in full employment of labor, increase in savings deposits, and general welfare notwithstanding the high cost of living and the enormous borrowing for the war.

MR. WITHERS denies that this condition is a result of artificial causes such as currency inflation, and he believes that it will outlast the war, though probably not on the present scale of extreme industrial activity. This view of the case is interesting; if accepted, it would necessitate some revision of the prevalent expectation as to conditions in Europe on return of peace. It naturally suggests the question whether other belligerent countries than England are in a similar position. So far as concerns high wages and abundance of employment, Germany at least has had the same experience, though complicated by the shortage of foodstuffs. It is probably true of France. The cases of Austria and Russia are not equally clear, because, although all reports agree on lavish private expenditure by the rich, the condition of the poorer classes is much more doubtful. In those two states, indeed, there appears to be little question that the dominant economic influence of the day is inflation of the currency, with the social and financial results which such disturbance of values brought,

for another instance, in our own Civil War. Probably we shall not know until the return of peace how much, even of the full employment of labor and great activity of production, has been due exclusively to the reduction of the supply of labor through enlistment in the armies, and to the Government's abnormal purchases of material.

Germany's Desperation

IF the German Government in this war had not destroyed all previous standards of credibility, we should have said that the revelations concerning its plottings with Mexico and Japan were unbelievable. But the German authorities have themselves taught us that they will stop at nothing. They have given modern force to the old saying of Tertullian, "I believe it because it is impossible." What must impress every attentive reader of Herr Zimmermann's note is less its moral offence—its indication of duplicity in dealing with the United States—than its inconceivable folly. If we were to get a body of international alienists to pass upon the disease by which the German Government is afflicted, they might easily agree to call it the *folie des grandeurs*. Such is the mania prevailing at Berlin that impossible things are thought as easy as turning over the hand. Could the German Foreign Secretary be such a fool as to think that the Mexicans could be such fools as even to dream of conquering the United States and winning back their "lost territory"? Yet the Germans have been praised as the great "realists" in world-politics! Here they are, however, hugging phantoms. Their vision of the civilized world seems to be a compound of Machiavelli and the Arabian Nights.

We are bound to admit that this fantastic scheme to embroil Mexico and Japan with the United States is about as sane as some other notions which the Germans cherished in the early months of the war. They had built the highest hopes upon their system of espionage and the talent of their agents for intrigue. India was at once to burst into revolt against the British Empire. Egypt was to start a revolution. In Ireland a civil war was to stab England in the back. We saw Sir Roger Casement's expedition from Germany—at once absurd and pathetic—but perhaps did not fully realize how its utter failure set in a strong light the preposterous expectations of it entertained in Berlin. The truth is that the elaborate German official method of gathering intelligence from all over the world poured more stuff into the German brain than it could grasp. As the American humorist said, it is better not to know so many things than to know so many things that aren't so.

Whatever the outcome of this war, the Government of Germany will remain utterly discredited as hopelessly incompetent to deal with problems affecting other peoples. Even if the incredible should happen, and Germany should win this war, her prestige would be hopelessly shattered. We are not referring now to the blunders in the negotiations leading up to the war, nor even to Belgium, nor to the Lusitania. Throughout the conduct of their ordinary American relations the Germans have shown a fatuity beyond all conception. More than that, there has run through their negotiations a falseness which, if it is ever understood and realized in Germany, will certainly lead to a revolution in the Wilhelmstrasse. We admit, of course, that Zimmermann

was within his rights in planning for an alliance with Mexico, and his proposed angling for Japan is no more than what Berlin has been trying to accomplish with Russia, or what the Allies effected with Rumania. It has been the German plan from the beginning to add more allies as rapidly as possible. But to select poor Carranza, and to rely upon him and his diplomats to buy off Japan, is literally so absurd as to make "one's intelligence stand still," as the Germans say.

This colossal stupidity alone should, when it penetrates, seal the doom not only of Zimmermann, but also of the whole brand of outworn Machiavellian diplomacy upon which the honor of the German people has been staked. It is bad enough to be stupid beyond belief, but what will be said in Germany when it is recalled that in the German note of January 31, transmitted to Mr. Lansing by Count Bernstorff, there appeared the following sentence: "The German people also repudiate all alliances which serve to force the countries into a competition for might and to involve them in a *net of selfish intrigues*"? On January 19, twelve days earlier, Herr Zimmermann had dispatched that historic note ordering his Mexican Ambassador to seek to embroil Mexico and to lure Japan from its alliance just about as casually as the ordinary American reserves a room in the hotel he is intending to visit. We think it will also appear, we have indeed good reason to believe, that when the final submarine order was on its way to Count Bernstorff, and even in his hands, the Berlin authorities were positively assuring American journalists and merchants, not to say diplomats, that all was well, and that there was no intention of yielding to agitators like Reventlow and Tirpitz for submarine ruthlessness.

When these facts become known in Germany we do not believe that they will be condoned, as some of the German press is condoning Herr Zimmermann's note. It is perfectly obvious that it is going to take Germany generations to live down by better deeds the revelations of which Zimmermann's note is but the latest example. Already the cable tells of newspaper dissent. The *Weser-Zeitung*, published in a city built up by trade with America, clearly sees that Germany's proper policy is the maintenance of friendly relations with us. The Berlin *Tageszeitung* "doubts the wisdom" of the German policy, and the very influential *Frankfurter Zeitung* offers no defence whatever for what is a worse disaster to Germany than the loss of a thousand trenches. That with a war-time censorship hanging over them these independent newspapers should speak out so vigorously is greatly to their credit. What will they not say when peace is restored?

The President and the Senate

THERE is no use in stretching abusive adjectives until they crack to characterize those Senators who filibustered the Armed Ship bill to death. We all feel the intense irritation caused by their course. Everybody must share, to a certain extent, the feeling of exasperation displayed by the President in his statement. But it is no time for wild exaggerations; still less, for cries of rage and despair. Mr. Wilson went further on Sunday in the haste of his righteous anger than he would probably care to go on deliberation. "A little group of wilful men, representing no opinion but their own, have rendered the great Government

of the United States helpless and contemptible." But have they? We do not believe it. That little group may have rendered itself contemptible to many, but it could not emasculate the power of the Government. This lives in all its native vigor. Does any man doubt that if hostile attack were made upon this country, the Commander-in-Chief of the army and navy would order armed defence? Nor is there any real doubt that the authority and resources of the President are equal to dealing with every changing phase of the crisis with Germany, short of declaring war. This nation is not reduced to impotence. The Government is not hamstrung. Let us put such hysterical nonsense by and face the actual situation calmly.

First, as to the rules of the Senate. There is no doubt that the privilege of unlimited debate—pushed to the point of conferring upon one man, with lungs of brass and the physique of a drayman, the power to prevent all the other Senators from having their way—has persisted too long in that body. For some years the *Nation* has maintained that the Senate rule ought to be modified—as, for instance, by providing that, by a two-thirds vote, the question, after being debated to a reasonable length, should be put. Such a change has now a better chance of being made. But let it not be forgotten that some of the very men who are now calling the obstructionist Senators "pirates" and "traitors" have in times past lauded the exertion of brute power by an insignificant minority in the Senate. When a River and Harbor bill was deliberately talked to death by Tom Carter, when the Force bill was defeated by a Senate filibuster, these same violent critics of to-day were heard thanking God that there was at least one legislative body where the rights of even the smallest minority were thus protected. Well, we can't praise the rule when it works as we like and damn it when it operates in a way to disgust us. The fat goes with the lean.

Such an exhibition as the Senate has now given of its inability to do what seven-eighths of the Senators are earnestly desirous of doing has long been on the way. There have been warnings of it. Serious efforts have been made to change the rules, in a very moderate spirit, so that one man might not be able to tyrannize over ninety. It was distinctly predicted that the day might come when the Senate, in face of a national emergency, would find itself so tied up with its own rule that it could not do what the great majority of the people—and the great majority of its own membership—desired. In this sense, the statement drawn up and signed by seventy-six Senators is an indictment of themselves. They lament the helplessness of the Senate, yet they themselves have fastened that helplessness upon it; for they have, many of them, withstood a change in the rules so as to enable the Senate to do business. Hence the document to which they put their names is, in effect, a confession of their own negligence and a testimonial to their lack of foresight. By their own logic, therefore, they are compelled to assent to the President's "remedy"—that is, an amendment of the Senate rules.

Gratifying is the note of greater composure and of strength which President Wilson sounded on Monday in his inaugural address. He spoke with just security of a united nation behind him. His appeal for the extinction of the spirit of faction, and for an unquestioned loyalty from one end of the land to the other, in the presence of difficulties which test the stuff of which the American people are made, was responded to before he uttered it. Even with the fail-

ure of the legislation which he sought from Congress, the true temper of both houses was shown in a way beyond dispute or cavil. His legal advisers will soon inform him of the extent of the power which he already possesses, and we may be sure that he will use it with firmness, yet with prudence. In stating once more the ideals of the United States, faced with the possibility of war, and its hopes of a better world when peace comes, the President was true to himself and to the deeper instincts of our great industrial democracy. It is a peace-loving, a tranquillizing, a reassuring Inaugural; and acting in the spirit of it—prepared for the worst, yet ever hoping for the best—Mr. Wilson should have the support of a calm and strong nation.

Wilson After Four Years

PRESIDENT WILSON'S first term was dislocated by the great war. Through two and one-half years of the four he had to face enormous difficulties which had swum into no man's ken at the time when he was elected. It was as if a great experiment in a laboratory had been disturbed by reckless outsiders. But this, after all, was but a proving of the man whom the people had chosen. Great crises, it was said by one of old, show us who of our public men are "the least depressed in spirit and the most resolute in action." Mr. Wilson himself has spoken of the fiery trial through which he has had to pass. The end of it is not yet; so that final judgment cannot now be given upon the credit or discredit with which he will come out of it. But the very experience should reinforce to the American people an old lesson: they ought to elect a President not because he is fitted to do a given thing, but because he is equipped to face whatever may happen. Party platforms fall to dust soon after they are built. Popular "mandates" become obsolete and exhausted, or are recalled. What goes on is all-round ability, ready to cope with the unforeseen when it arises. The tasks of which nobody dreamed that have been laid upon Mr. Wilson are but one more warning to our democracy that, in its choice of a Chief Executive, it must look first of all for "that commodity called a man."

The President's bitterest enemies—and if love for him is in proportion to the number of enemies he has made it must be very great—cannot deny that the past four years have brought him a certain measure of success. Of this a large part lay along the line of political sagacity and political management. Here, it is probable, the least was expected of Woodrow Wilson. People could have believed him strong in theory and long on ideals, but would have thought that he would break his leg over the practical. By now, however, they must realize that he is one of the ablest politicians that America has known. There is no getting away from the argument of results. This is a brute argument—it is the appeal to the box-office of politics—but it always knocks the objector down. Nobody can any longer disparage Wilson's political knowledge and skill. He saw the country whole. To have kept a check-rein on a party that hated his driving, and won for what was a minority party a large popular majority—this was a feat which is the end of all dispute on the purely political side of the President's first term.

Nor can it be disputed that Mr. Wilson has known how to compel success in the higher ranges of political activity. He has had imagination enough to appeal to the imagina-

tion of the people. The Presidency, during his occupancy of it, has been the first office in the nation's thoughts. Without clamor or sensation, the President has made of himself a striking figure. He has done so by his quiet disregard of crusted conventions. His innovations have been bold, but have been undertaken with such noiseless ease as to make them seem the most natural thing in the world. The personal address to Congress, the smiling assumption that Senators and Representatives are the President's "colleagues" in the work of legislation—surely there was a touch of political genius in the man who devised these methods. They made him a marked man. They gave him the ear of the whole country. Men might not like what he was doing or saying, but they could not ignore it. Thus Mr. Wilson has made the Presidency dynamic. Through it he has radiated a personality which, whether it pleased or repelled, is at any rate the reflection of a powerful intellect. Wilson has been an undeniable leader. Sometimes he has sought to mask his leadership under the guise of seeking only to know the will of the people in order that he might be their faithful servant, but this should deceive no close observer of the actual fact. There is such a thing as stooping to conquer, but there is also such a thing as having conquered before you stoop.

We attempt no formal review of Mr. Wilson's Administration. It has had its shining triumphs, and also its pitiful failures. If it has touched the heights, it has also fallen to the depths. Some things it makes the heart glow to recall; others cause pain and sadness. Of such is the kingdom of politics! But what will most interest the people of the United States, as they study Woodrow Wilson at the end of his first term and the beginning of his second, is the manner of man he is. By this time most of the mystery has dropped away from him. We see him gifted in speech; with few close personal friends; stoical in adversity; modest in victory; silent under abuse; resolute to the point of being obstinate; often too slow, though sometimes as swift as light; an idealist, but also a prudent and adroit man. He has undoubtedly a passion for the high things of the United States. That he may compass more of them in the next four years than in the four that are passed will be the wish of all Americans for a man who, whatever he has done or failed to do, has made the American Presidency in the eyes of the world glitter beyond any throne.

The Retreat on the Ancre and After

IS the German retirement in the region of Bapaume voluntary or forced? It has been voluntary if it conceals a trap for the oncoming British, of the kind Hindenburg has been so successful in baiting for Russia's armies. It has been forced if undertaken because of tactical necessities, or for the purpose of releasing German troops for work elsewhere. All the probabilities are that the surrender of some twenty-five square miles of ground to the British is only part of the German policy in the west of sacrificing small bits of territory in preference to large numbers of men. From this point of view, the developments of the present are the delayed results of the battle of the Somme begun eight months ago. The Allied advance along the southern half of the front between Arras

and Péronne had produced an awkward bulge in the German line. Constant pounding from three sides by a superior Allied artillery has made the defence of this protuberance expensive. Hindenburg would thus be now engaged in straightening and shortening his lines. But if that is the purpose, a glance at the map will show that the German retirement in the section south of Gommecourt has only left a sharper and presumably more exposed German salient from Gommecourt north to Arras. Before the German front can be straightened out on the line Arras-Bapaume-Péronne, the Germans must yield three or four times the twenty-five square miles they have already given up.

The abandonment of a larger area than the Crown Prince conquered last year around Verdun at such heavy expense would arouse discontent in Germany if popular attention were not so sharply focussed on the U-boats. It is probably not the least among the purposes behind the new sea frightfulness that the General Staff can take losses on land without creating undue popular dissatisfaction. What matters a few square miles more or less out of Germany's immense conquests, while England is being starved into defeat? But that is not all. Viewed in its local aspect, the withdrawal towards Bapaume may be explained as a skilful defensive operation. It is not merely a retirement to a stronger intrenched position. It imposes delay on Allied operations which may prove to be more than fair price for the ground yielded them. Let us imagine the Germans standing to receive the forthcoming Allied grand attack along their original lines. The attack, so the German reasoning would go, will probably fail; but there is a chance that it may succeed, just as by German confession the Somme attack last year came near succeeding. And success might mean such a shattering of the line as would lead to disaster. On the other hand, by a voluntary retirement two or three miles deep along a front of twenty miles, the Allied plans might be thrown askew. The painful months of preparation, the mapping of trenches, the sighting of ranges, the emplacement of guns, the building of railways, all planned with mathematical precision against a definite line, might be largely negated by a shift in that line along a considerable stretch. And the Allied preparation must begin over again before the great push can be launched.

Behind this local advantage obtained by a German withdrawal to the line Arras-Bapaume-Péronne, we must count on the probability of a great German effort elsewhere in Europe, towards which the economies practiced on the Ancre would contribute. Where is this blow, if it does come, likely to fall? If we admit that no change has taken place in Hindenburg's predilection for the eastern front, we may expect the attack to come in one of three places: along the northern half of the Russian front on the Dvina, with Riga as the immediate objective, and a threat against Petrograd in reserve; along the southern half of the Russian front in Moldavia, with Odessa as the objective; or against Sarraïl's line in Macedonia. Political reasons would favor a drive into Russia; military reasons are rather against it. The quagmires and swamps of the Dvina region in the Russian spring are not an ideal field of operations. On the Danube conditions are more favorable, but an advance against Odessa means a very serious extension of the German lines. On the other hand, if a heavy blow can be delivered in spite of these obstacles, the strife of parties

within Russia, the reassertion of Government opposition to the Duma with an implied revival of pro-German sentiment, may lend encouragement to that long-deferred hope of a separate peace. To us the thing is hardly conceivable; but many things in the German mind are to us hardly conceivable.

There remains the possibility of a Teutonic drive against the army of Salonica. Of that army we know that it is still far too weak for an offensive against the Bulgarian troops which have so long kept it in check. Were the Bulgars reinforced by German and Turkish divisions from northern Rumania, where the Teutonic advance has been virtually at a standstill for months, Sarraïl would be greatly outnumbered. Salonica itself may be impregnable, but it would be victory enough if the Allies were driven out of the Macedonian lines into their intrenched camp. Such a success would restore Teutonic prestige in the Middle East, which has suffered under the British advance from Egypt and Mesopotamia, with the possible fall of Bagdad. But, above all, a Teutonic attack in Macedonia would be pressure against the weakest point in the Allied alignment. Salonica must be reinforced and fed with transports by sea, and economy of tonnage is now England's greatest need. From the beginning of the Salonica undertaking the Teutonic U-boats have exacted a heavy toll of Allied tonnage in the Mediterranean. The former British Cabinet was always cold to the Balkan enterprise on this very score of shipping strain and wastage. In a German threat against Salonica the new U-boat campaign would count more heavily than in any other enterprise on land.

The Genial Wisdom of Eighty

THE eightieth birthday of William Dean Howells should have called most prominently to mind two portions of his literary work of which little has been said: his essays and his reminiscent writings. An octogenarian is expected to think much of the past and to measure out the wisdom which he has distilled from years of experience. Mr. Howells does both. During the past year he has kept as spiritedly contemplative as ever his "Easy Chair" in *Harper's*, and he has issued, together with the novel, "The Leatherstocking God," a volume of reminiscences, "Years of My Youth." We do not deny that it is natural to think of Howells primarily as a novelist. He has been a novelist for forty-five years, an assiduous worker in the realistic school of America; as a novelist he has made his best contributions to our literature—books like "The Rise of Silas Lapham" and "A Hazard of New Fortunes." But we think less naturally of his novels at the age which he has now attained than of the comments on life and events that reflect his long background. His achievement in carrying on the tradition of Curtis, Holmes, and Warner is probably underrated.

It is impossible not to feel that advancing years have contributed to the equipment of Howells the essayist; so prominent are his qualities of mellow tolerance mingled with confirmed love of justice. His geniality was born long ago. His first novels and studies showed him sweet as summer. Geniality and chattiness also belong naturally to the "Easy Chair," founded "to indulge an easy and careless overlook of the gossiping papers of the day." But this magazine tradition might have proved pliable to any

one who wished to deliver stern judgments; whereas the affability of the younger Howells has given way to a richer philosophy. We feel that he took the Chair at sixty-four with a deepening wish to believe that—to use a phrase of his own—"the world is always young and innocent when it is not old and virtuous." He has kept his essays nearly as far from the academic as from the severe, and it must be remembered that kindly justice is not so easy in dealing with immediately practical questions. He has not failed to range widely, to write essays on a visit to Jane Austen's grave, the succession of dangerous insects, and the relative merits of European and American sleeping-cars; but even these have seldom lacked touches connecting them with the day. And on all current questions he looks calmly and sees both sides. He abhors tipping, which, as "the gross and offensive caricature of mercy, inverts the effect of the heavenly attribute it mocks—it curses him that gives and him that takes"; but he merely ridicules it with a picture of his tipless Hotel Utopia. He inveighs against the descriptions of love-making in the magazines, but softens his comparison with the offensiveness of park-bench scenes and his appeal to the restraint of Greek art by the admission that the illustrators are beyond control anyway.

Possibly the tolerance of Howells sometimes leads him to bestow his benison too easily on beginners in literature. He sees merit in callow *vers libristes*. In Walt Mason's prose poems he finds a fascination in the rhymes, in the fun, aspiration, and strong sense. He admires "Broadway Jones" for its character drawing, and declares that he came away from seeing it with a heart full of "unconsidered pleasure." But he makes it clear that in all this he is writing essays in appreciation, and does not bother with faults that any one can see. Yet his chief defence would probably be that at eighty one has learned to look for what good there is in the world as it is. "I am fond of believing that there are Latin, Teutonic, and Slavic qualities which render each of these races superior to the other. There is the English love of fairplay, the French gayety, the Italian sense of duty, the Spanish dignity, the American humor, the German warm-heartedness." But his indulgence always stops short at the line dividing right and wrong. Howells approaches severity in his condemnation of war, in his indignation at papers that serve up lurid stories of crime, and in striking at certain sharp social injustices. One of his few instances of pessimism is in a passage concerning the decline of our old high literary ideals of righteousness:

In that former time our literature expressed a longing for the beauty which is truth; neither Longfellow, nor Lowell, nor Whittier could be content with the lovely line alone; its curves must lead to the straight and narrow path which few find, but none need miss; it was sometimes even forced to this office. The clear, cold voice of Emerson called from the crystal air of Concord in the duteous accents which we seem to fail of in the voices of Indianapolis and our other literary centres. The greatest novel of that day, the best seller of almost any day, flames from a passionate ardor for humanity.

In his qualities as essayist it is not hard to find the counterpart of many qualities which Howells has developed as novelist. He long ago said that he had no patience with ideal characters in fiction, for the artist who tries to create an ideal mixes truth with preponderant sentimentality. The man who thus realizes the universal weaknesses of

human character is likely to become more and more tolerant. The kindness which Howells mingles with his clear-sighted depiction of men and women has always been marked. But his insistence on rectitude is as great as on reality.

The Revision of the Dutch Constitution

THE Second Chamber of the States-General has raised the year that is past to the importance of a red-letter year in the annals of Holland by passing the Revision of the Constitution proposed by the Government. The indifference with which the bulk of the nation has watched the readjustment of the State's foundations is characteristic of the people's general attitude towards internal politics. The causes of this political apathy are various and complex. Dutch legislation, it is said, is an artificial invention of subtle jurists, and not, as it ought to be, a growth rooting in the people's needs. But other things come into play as well: the Liberal notion that the individual citizen ought to have unimpeded control of his freedom to think what he likes has always hindered the organization of a strong and well-disciplined Liberal party that could compete with the party organization of the Clericals and Social-Democrats. This scrupulous abstention of control was responsible for the Liberal party's lack of power, and lack of power bred self-distrust and skeptic indifference among its members who, just because they are mostly recruited from the educated classes, might be expected to take a keen and active interest in political affairs. Thus the theoretical freedom of thought was, in practice, turned into the freedom not to think, and political warfare became a war between the two extremes, the Clericals and the Social-Democrats, who assailed each other over the heads of an indolent Liberal majority. Education is also to blame; the teaching of national history in our secondary schools devotes over-much attention to the distant past, and leaves the later nineteenth century out of account. And no wonder: for a teacher to tell his pupils of the great war against Spain and of the sea-battles fought against England in the days when Rembrandt painted and Spinoza thought, is a more pleasant task than to record the dull succession of Ministries that in the nineteenth century fulfilled their tasks of government and legislation. But the resulting ignorance of recent political history has disastrous consequences in the present. The nation resembles those old people whose memories are stored with vivid recollections of their youth, but cannot retain the happenings of yesterday.

The recent revision has introduced a new principle into the Constitution which bids fair to remedy this mental inertia. Manhood suffrage and proportional representation, as embodied in the new law, would not promote the purpose of obtaining a true reflection at the poll of the actual proportions between parties and the principles they represent, unless all voters participate in the elections. To guarantee their coöperation, the principle of coercion is legally recognized. The objection of a bygone Liberalism against encroaching upon individual independence is abandoned, and the revised law turns the citizen's right to vote into his duty. His right to think what he likes is left intact, but the right not to think is no longer recognized. The law enforces the execution of the right to vote; that is to say,

each citizen is under compulsion to form an opinion and take an active part in politics. That this bold stride from Liberalism towards Socialism could have been taken without serious objection from any party is explained by the general uncertainty as to which party will benefit most by this new course. The Liberals promise themselves the lion's share of the indifferentists' votes, the Clericals and Social-Democrats trust to the superiority of their organizations. Neither the beauty nor the justice of a principle will secure its victory, but only the advantage that its adherents promise themselves from its realization.

There are people who grow indignant at the prospect of being forced to the poll, and proclaim their belief in the sacred freedom of thought. But their anger makes them blind to the fact that it is not the sacredness of freedom they mean and ought to defend, but the sacredness of thought. And that is left unimpaired by this law. Curiously enough, it is among these same advocates of liberty that one finds the strongest opponents of another principle embodied in the revised Constitution, by which the barrier is removed which the older Liberalism had raised to prevent a free development of the greatest possible diversity of thought.

The new Constitution recognizes the absolute equality of sectarian and Government schools, which means that the costs of either education are defrayed from the public revenue. Up to now sectarian schools depended mainly on private endowments, to which the State added a subsidy on condition that the standard of education conformed to the rules laid down by the Government for state and municipal schools. Thus the founding of sectarian schools was left to private enterprise, so that the privileged status which Liberal legislation had given to Government education might be said to act as an obstacle against the development of free teaching on denominational lines. The opposition from Liberal quarters was not directed against the principle of equality, but actuated by a fear lest the Government, by departing from the system of subsidizing, should lose control of the efficiency of sectarian education. Fears of a different nature were voiced by members of the Roman Catholic and Calvinist parties, which, as the sole opponents of the neutral Government school, were the only parties to benefit by the proposed revision. Atheists and agnostics, they objected, might begin to found schools at the expense of the Exchequer. And it goes without saying that, so long as these schools abstain from propagating anarchistic or revolutionary doctrines, they will have an equal claim to a support from state finances as Roman Catholic and Calvinistic institutions. Their other solicitude was based on the frailty of human nature: If the state, it was said, becomes responsible for the upkeep of our schools, we shall lose our pride in having founded and maintained something that is precious to us at the cost of personal sacrifice. We all love the thing that has cost us dear. Take away the need of sacrifice for what we covet, and the love for the thing so easily obtained will vanish as well. But these were considerations that carried little weight with the majority of either party. They let the future take care of itself and voted, with the Liberals and Socialists, for the Government proposals.

The Revision will have to pass through several stages before it comes into force. But there is every likelihood that no serious obstacles will be thrown in its way.

A. J. BARNOUW

The Hague, February 7

France, America, and the Great Peace

WHEN I left New York, the middle of January, there still sounded in my ears the echoes of the varied and discordant chorus of surprise, approval, and rebuke which had greeted the peace note of President Wilson. When I reached Paris, it was in time to read the German note announcing the policy of unrestricted submarine warfare, and to witness the reception of the news that the German Ambassador had been handed his passports.

The reception accorded to President Wilson's circular inquiry had been, to me, an interesting study in political psychology. The inquiry itself, in no essential respect different in character from many which the European Powers have addressed to one another in times of crisis, seemed a proper one for the greatest neutral nation in the world to make. Whatever the objects of the war at the beginning, its aims were hardly likely to remain unchanged after two and a half years of strenuous fighting, even if various incidents—expressions from high English sources about the future of the German colonies, for example, or the announcement that Russia was to have Constantinople—had not intimated the emergence of more material ambitions than the conservation of human rights and political freedom. Read, not once, but several times, each time from the standpoint of a different belligerent, the note easily took on the character of a communication "to whom it may concern"; and it was not immediately clear how the substance of its studied phrases could have been materially altered without doing violence to President Wilson's policy of neutrality. Moreover, several of the belligerents are deeply indebted to the United States in loans which some time must be paid; and a respectful inquiry from a creditor to whom one is deeply beholden cannot, as a rule, be treated lightly. Yet, the first outcome of the note, if one might trust the cabled expressions of French and English newspapers, appeared to be a spontaneous outburst of resentful protest, couched in some instances in language more common in private quarrels than in serious international controversy, and only after some days moderating to appreciation and respect. The same thing was true, in even greater degree, of an influential section of the American press, some of whose early utterances were certainly not agreeable reading. What, I asked myself, were the facts? Had the President made another colossal blunder? Had he gratuitously affronted the Allies or played deliberately into the hands of Germany? Had he, in ignorance or isolation, weakened the respect, perhaps none too high at best, for America abroad, or destroyed once for all any possibility that the United States might have a voice in the great final settlement?

The inevitable associations of a slow and, as it turned out, uneventful voyage across the Atlantic night, I thought, throw some light upon the problem. About half of the cabin passengers were Americans, most of them commercial buyers or ambulance and hospital recruits. I was struck by the number who seemed anxious either to forget that they were Americans or else to impress, in season and out of season, the fact that they did not care for President Wilson or his policy. One might easily have imagined that a sigh of relief marked the disappearance of the American shore; as if, at last, one were fairly on the way to

a land where courage, honesty, wisdom, and human sympathy, so regrettably lacking at home, shone from every window and spoke in every voice. Not even the noisy and vulgar behavior, the coarse speech, and the heavy drinking of a group of young ambulance appointees, discreditable alike to their country and to whatever organization had selected them, worked essential change of tone among the Americans as a whole. The French passengers, on the other hand, were noticeably courteous, sympathetic, and chary of criticism whenever the relation of the United States to the war was mentioned. Was it possible that one who had no other mission save to comprehend and weigh, as accurately as circumstances might make possible, the spirit of a warring France must needs encounter, at every turn, a hostile and carping Americanism? Could it be that the people of France had a deeper appreciation of America than had Americans themselves? Or was there, underneath this courteous French exterior, a something that must not be expressed because the expression would give offence? I waited, balancing the mind as, on deck, one balances the body against the rolling and pitching of a vessel in a wintry sea.

Lingering for a day or two at Bordeaux, then journeying on to Paris in a train crowded with soldiers, I had the opportunity to sample casually the opinions of officers and men as well as of civilians. Everywhere I noted a prevailing hopefulness, an unshaken confidence in the ultimate success of France and the Allies, and an absence of bitterness towards the German people. No one intimated doubt that American sympathy was with the Allies, or, on the other hand, questioned the right of the United States to make money out of its neutrality; but beyond a moderate and friendly expression of appreciation, no one seemed anxious to discuss the point. If, as I had been warned, Americans were viewed with suspicion or merely tolerated, there was little evidence of it. The scrutiny of luggage and passports was expeditious and outwardly formal, and the commissaires of police were models of courtesy and accommodation. It was the same thing in the shops, the banks, the hotels, and the cafés. But for the darkened streets at night, the numerous men in uniform, and the ever-present mourning garb, it would have been difficult for the casual traveller to realize that France was struggling for its life against an enemy still far from conquered, and guarding itself with relentless rigor against foes within as well as against foes without. For the American who went quietly about his business and extended to others even a modicum of the consideration which was everywhere extended to him there seemed to be only welcome. Americans might feel ashamed of America, but the French, apparently, did not.

Then, Sunday noon, came the news that the United States had broken off diplomatic relations with Germany. Notwithstanding the severe and unprecedented cold, the boulevards were thronged, conspicuous in the crowds being, of course, officers and soldiers on leave. Newspaper "extras" were eagerly bought, and little knots of people gathered at the few newspaper offices that put up bulletins. A soldier on the Boulevard des Capucines read the news, slapped his companion on the back, and shouted "Hurrah

for Wilson!" and the crowd cheered faintly in response. Now and then, men and women strolling together could be heard saying, "Good news!" "So America is in at last!" But it was a very quiet demonstration, distinctly lacking in enthusiasm. Was it because France had all along expected that America would come in, and was not to be carried off its feet on a frigid Sunday afternoon because the expected had at last happened? Or was there something in the time or manner of the coming that did not ring true, and checked the spontaneous outbursts of emotion that Frenchmen know so well how to indulge? Again I waited, listening for the undertones.

Certain Americans, meantime, had speedily come into evidence. At the larger hotels, still well filled with guests notwithstanding the war, groups met to discuss the situation and scan the future. In one, an excited man proclaimed in a loud voice his delight that President Wilson had at last "done the decent thing"; in another, an equally excited woman, with a still more penetrating voice, thanked God that at last she could "hold up her head without shame." A United States Senator-elect hurried off a cablegram to Washington demanding to be told how best to get home, while a prosperous business man "reckoned" that, by the time he himself was ready to leave, there would be an American warship ready to convoy him. A certain Captain Fortescue, of the American Officers' Reserve Corps, confided to a reporter that public opinion in the United States would undoubtedly approve of the dispatch of American troops to Belgium; while another military man, in a newspaper article descriptive of America's military resources, gave the impression that the entire National Guard had just completed six months' service on the Mexican border, and hence might be regarded as fit.

Instinctively, yet with conscious regretfulness, I found myself avoiding certain Americans whose society, under ordinary conditions, I should probably have been glad to enjoy. There are a good many Americans in Paris, conspicuous among them being the many persons engaged in relief work, and writers to whom the war has offered, or was expected to offer, literary "material." For the attitude, as well as for the labor, which many of them have assumed in this most difficult time there cannot be too high or too generous praise. In their walk and conversation France has seen the American spirit at its best. But a heavy weight of responsibility rests upon some who, apparently forgetful of the fact that they were the guests, so to speak, of a nation grievously strained by war, and itself undergoing profound social revolution, have used their liberty to denounce their own country and its rulers. It is indeed painful to hear, sounding across a hotel dining-room in that "American voice" which European travellers in the United States have so often noted, such harsh words as "fool" and "coward," and to know that the object of these reproaches was the President of the United States; to have the grave significance of the breach with Germany belittled by a smug insistence that it ought to have happened long ago and can only make trouble now; or to listen while the military and naval resources of the United States and the good sense of its people were set forth, not only with abysmal ignorance often, but with offensive disparagement and studied contempt. Waiving altogether every question of fact involved, I could not but feel that good taste should have imposed, under the circumstances, a rule of moderation if not of abstinence.

Keeping in mind, then, such varied impressions as those I have just alluded to, and checking them by interviews with persons more generous and better informed and by careful study of the Paris press, I venture to record my conclusions as to what France, at the moment, thinks of America.

Up to the time when President Wilson's peace note appeared, there was no significant disposition in France to question, save in one important respect, the propriety of the course which the United States had taken. Its right, if it so chose, to remain neutral, and to make money out of its neutrality, was frankly conceded; nor was it believed that the war would be greatly shortened, or its character materially changed, if America were to become a participant. From the standpoint of the Allies, America was more useful as a neutral than as a belligerent. What grieved the French spirit, however, was the failure of the United States to protest against such acts as the invasion and devastation of Belgium and the destruction of the Lusitania. Protest would have cost nothing; it would not have endangered either the safety or the neutrality of the United States; but it would have ranged the great republic definitively on the side of treaty rights, international law, and humanity, and stopped the mouths of those who were saying that American neutrality had only a material basis. The prestige of the United States as a champion of liberty and an enemy of injustice and violence was high in France, and a timely word would have saved it.

When, accordingly, in his peace note President Wilson intimated that he himself did not know what the Powers were fighting for, the better thought of France recoiled. Not that France expected for a moment that America, or even an American President, could understand all the intricacies of political and social relationship which the war had affected, or all the delicate issues involved in a peace. The American political system, and particularly the methods of American party politics, bear so little resemblance to anything to be found in Europe, and our historical policy of isolation has been, on the whole, so well adhered to, that no European, and perhaps least of all a Frenchman, expects any American to be fully informed about European politics. What hurt the soul of France was the apparent failure of the President to recognize that France, of all the nations involved, knew from the beginning precisely what it was fighting for. It knew that the issue at stake, when Germany had crossed the border and German guns were booming almost within earshot of Paris, was nothing less than the independence of France, the preservation of its institutions and its ideals, and the freedom of its people; and it has not forgotten how near it came to being overwhelmed in the fearful German onrush. To France, at least, "what they were fighting for" was as clear as day, but the measured words of President Wilson carried to France no recognition, sympathy, or cheer.

There need be, then, no surprise that the rupture of American relations with Germany awakens in France interest rather than enthusiasm; that the line of argument adopted by the President should seem narrow or even frankly selfish; or that the "watchful waiting" of the days immediately following the break should have spelled to many thoughtful Frenchmen hesitation and weakness rather than decision and strength. Can it be possible, one hears it asked, at this late date and in full view of all that has happened, that America breaks with Germany only because

its own rights are invaded or the lives of its own citizens jeopardized? Is there no concern for the welfare of the world, no regard for humanity as such, no recognition of the binding obligation of a nation to do justice and love mercy even in war, in this new stand of the United States? And must it be that those only who are permitted to see with their own eyes, or feel with their own senses, not alone the frightful losses in killed and maimed, the nation-wide mourning, the nervous and moral strain that makes strong men weep, the penury of cold and hunger, or the pitiful sufferings of women and children, but also, and equally, the high purpose, the undaunted courage, the quiet patience, the ceaseless activity, or the endless and unwearied regard for those who are in distress, which the great war has written large across the face and burned into the heart of France: must it be that those only who see and feel these things can realize how small and mean appears the attitude of a great nation which, seemingly, cares only for its own?

And what about the peace? One hears it said that American participation now will, of course, give to the United States a voice in the final settlement. So far as France is concerned, however, the prospect of American participation seems disturbing rather than satisfying. Doubtless the United States, whatever its past or future course, will have a seat in the great council of the nations which some day will be convened; and what it says will be listened to. But with what spirit will it come and in what temper will it act? Had the United States, while scrupulously pursuing its neutral course, spoken out clearly for humanity as well as for legal rights; had its Government voiced the sympathy which millions of its people feel for a cause on whose behalf other millions on this side of the Atlantic resolutely adventure their lives, it would have assured itself of a generous welcome. But will it be welcomed now? I speak only of France, for I have not yet been to England; but speaking only of France, I cannot yet answer

the question in the affirmative. American participation in the peace, while surely not to be dispensed with or lightly regarded, seems at the moment likely to add only another complication. The technical aloofness of the United States, its cold indifference, and its amazing acquiescence in the German programme of confession and avoidance will not hasten the great peace for which France, with unspeakable yearning, still bravely fights and waits.

And for France at least it must be, if possible, a great peace. Beyond the safeguarding of France, precious as that assurance may be, lies the determination to insure a peaceful Europe and a peaceful world. Whatever the future of Belgium and its people—and sympathy for the Belgians is no longer the same thing as sympathy for Belgium—the rights of nations, great or small, must be better assured. Whatever the decision about armaments—and no one in France thinks of general disarmament—the menace of an arrogant militarism, whether Prussian or any other, must be removed. It will be, in many respects, a new France that will face these problems: a France patriotic, high-spirited, courteous, and self-contained, like the old, but chastened body and soul, to the utmost reaches of its political, economic, and spiritual life, by one of the most searching disciplines of effort and sacrifice that any nation has ever been called upon to endure. The historic friendship between the United States and France is still, happily, a memory to conjure with; the volatile enthusiasm which sends America excitedly to arms is not despised, nor is American resourcefulness in times of crisis underrated; but in the councils of the great peace it may be France, rather than America, that will champion best the interests of humanity. One cannot but wonder whether the peace and prosperity with which America consoles itself may not have been too dearly bought.

WILLIAM MACDONALD

Paris, February 14

What is Wrong in Russia?

AMONG the recent Cabinet changes in the Allied countries the Russian Ministerial crises of the last two months are most disquieting to those who see in a full harmony among all organs of government the best pledge of ultimate victory for the coalition. Even without the emphatic declarations evoked by the recent German peace proposals, there would have been no doubt of the English and French determination to fight on to a successful issue or of the unity of purpose animating the masses on both sides of the Channel. Such concord is not evident in Russia, where, at the very inception of hostilities, five prominent officials (among them, significantly enough, Shcheglovitov, the newly appointed President of the Imperial Council) handed to the Czar a memorial arguing the necessity of a speedy peace with Germany.

From the opening of the present conflict, the Russian Empire has been handicapped by reactionary or Germanophile agents in high places who, ruthlessly and without conscience, have used their effective influence to hamper the Russian armies and disrupt the harmony existing between Russia and her allies. To this class belong not only the late Rasputin and the treacherous Sukhomlinov, but also Stürmer, the former Premier, and Protopopov, the

Minister of the Interior in the Cabinets of Stürmer, Trepov, and Golitzyn.

Early in December the representative from Kursk, V. M. Purishkevich, reported in the Duma that Stürmer personally told him Russia should try to curb the appetite of her allies somewhat, as they were demanding too much of the Empire. At the same time he charged that Protopopov was running a newspaper financed with German capital. At the same session Count V. A. Bobrinski made known the statement of Protopopov that the cornerstone of his programme was conflict with every sort of public organization, under which are to be classed the Unions of the Zemstvos and the Municipalities, whose patriotic labors have been responsible for what little efficiency the Empire has exhibited during the course of the war. Milyukov, the leader of the Cadets, had previously brought forward the information that Manasevich-Manuilov, Stürmer's personal secretary, had been the go-between selected by Count Portalès, the former German Ambassador, to negotiate with the Suvorins for the purchase of the *Novoe Vremya* by German agents. The mere fact that the Russian censorship let this statement pass is an indication of its accuracy. This Manasevich-Manuilov, who was a former secret

agent in Paris and used to furnish inside information to the *Novoe Vremya*, was arrested in the summer of 1916 for accepting bribes. He was released when it proved that he had split with a third person, and there are ample reasons for believing that this obscure beneficiary was Stürmer himself. In the presence of such evidence of a deliberate intention to neglect Russia's duty to her allies, to prevent, for the sake of the autocracy, any sort of co-operation between Government and people, and to incapacitate the patriotic organizations laboring disinterestedly for the country, it is not surprising that the Duma has consistently refused its confidence to any Ministry comprising officials of the aforementioned convictions.

In his speech of November 14, Professor Milyukov said: "All the Allied Powers have summoned to the ranks of authority the best men from all parties. They have gathered about the heads of their Governments all that confidence, all those elements of organization available in countries better organized than ours. What has our Government done? . . . Since there has appeared in the Imperial Duma that majority which was hitherto lacking—a majority ready to bestow confidence on a Cabinet worthy of this confidence—practically all members of the Cabinet who could in any sense count on confidence have been, one after another, systematically forced to leave it. And if we have said that in our Government there is neither the knowledge nor the talent essential for the present moment, then, gentlemen, this Government has now descended below that level at which it stood in a normal epoch of our Russian life, and the chasm between us and it has widened and become impassable."

The widespread distrust of the Government was similarly voiced by Purishkevich, who, unlike Milyukov, was originally not a liberal but a reactionary of the first water. "There was a time," he declared, "when it was a question of the Government's confidence in society; there was a time when one spoke of a unification of the work of Government and society. But now the question is not of the Government's confidence in society, but of confidence in the Government. The authority and the patriotism of the governing power is under suspicion. There is, I say, reason to affirm that the patriotism of the Government does not merit the confidence it wishes to enjoy in society. We desire that in questions of military defence governmental authority should go hand in hand with society, that it should be no less patriotic than the Russian workman who manufactures shells and equipment."

It is significant that Milyukov's remarks were uttered just prior to the dismissal of Stürmer, while Purishkevich's followed immediately upon Trepov's preliminary declaration to the Duma of the Government's intentions. It is a well-known fact that the Minister of the Interior can overrule the Premier, and it was only by being at the same time Minister of Finance that such Premiers as Witte and Kokovtsov were able to maintain their dominance. If we bear in mind Protopopov's avowed hostility to the Zemstvo and Municipal Unions, it is simple to determine how much truth there was in Trepov's assertion that the Government "welcomes the high patriotic activity of the municipalities, Zemstvos, social organizations, and private persons. It will in every way further its proper development." Small wonder these words were met in the Duma with shouts of "We don't believe it!" As Purishkevich said, "On the occasion of this change of the organs of

governmental authority, we, without distinction of party, wonder not that in high circles they are looking for a man to fill this exalted post, but rather that in such a heavy moment of responsibility people either know themselves so ill or are so eager for a career that they accept the place offered them while knowing to a certainty that they lack the power essential to the honorable fulfilment of their official duty."

The skeptical attitude towards the Government repeatedly evinced by the Duma has, during the last six months, spread to other classes. Early in November, representatives of various provincial administrations met in Moscow and issued this statement, among others: "The terrible tormenting suspicion and the evil rumors of treason and treachery, of obscure forces working for Germany's advantage and striving to prepare the ground for a shameful peace by means of destroying our national unity, have now passed over into a clear consciousness that the enemy's hand secretly influences the direction of the course of our Imperial affairs. It is natural that on this basis there is talk in administrative circles of the uselessness of the struggle, of the propriety of ending the war, and of the necessity of a separate peace." The Russian people and its representatives have thus been placed in a position where they must compel a half-hearted bureaucracy to fulfil its international obligations. The Duma cannot discover the precise aims of the autocracy, while the latter is principally concerned with playing its selfish waiting game. By non-committal changes in the Cabinet, it seeks to make the Duma think it is exercising a dominant influence, and lets it work off its energy in impotent oratory. Since the dismissal of Sazonov, there has not been a single notable statesman in the Russian Cabinet, and the appointment of any Minister whom the Duma might trust would be recognized as a revolutionary concession to its demand for a responsible Ministry. Thus the Russian Government has by its own ineptitude brought about a state of national uncertainty and discord entirely comparable to what the German military handbooks recommend for paralyzing an enemy's efficiency by artificially created internal dissension.

It would seem that Stürmer's antecedents might have disqualified him for any Government post during the present crisis. Apart from his peculiar relations with Manuilov, and his appointment of his son as Vice-Governor of the province of Suwalki while it was still occupied by the Germans, his Germanophile tendencies were familiar to the whole German press. He was characterized as belonging to circles "that view the war with Germany without special enthusiasm." He would not, it was thought, "interfere with the growing desire for peace in Russia." The *Neue Freie Presse* of Vienna observed: "In the person of Stürmer there has been obtained an instrument which can be used according to taste. . . . Stürmer is a man who satisfies the secret desires of the Rights, who never wished an English alliance. Unlike Sazonov, he will not maintain that it is necessary to paralyze the Prussian military caste." The amazing thing about Stürmer is not his policy as Premier, but that, when his convictions were so well known, he should have remained Premier in direct defiance of the patriotic and conciliatory aims of the Progressive Bloc in the Duma and of public opinion as represented by the Municipal and Zemstvo Unions.

The retention of Protopopov as Minister of the Interior vitiated all hopes awakened by Stürmer's eventual retire-

ment. Trepov's assertion that the Government was working for "victory, victory at any cost, full and complete," carried with it the disenchanting hint that "without extreme necessity it would be scarcely right to be diverted from the tasks immediately connected with defence to the limitless questions of national structure that demand internal and peaceful consideration as well by the administrative as by the legislative bodies." In other words, internal reforms are not to be expected at the present moment. The whole-souled prosecution of the war served as an excuse for this postponement.

The announcement that the Allies had guaranteed Russia the possession of Constantinople and the freedom of the Straits, which actually was no news to any one, fell completely flat not only in the Duma but also in the Council. In the upper house, Trepov's invitation to forget quarrels and dissensions was plainly answered by Prince A. D. Golitzyn (not the present Premier) with the statement that he believed friendly coöperation between Government and society an impossibility. "I address myself to the Premier," he said, "with the question, whether he has the fulness of authority to guarantee him the uninterrupted execution of all projects mentioned by him in his declaration. Has he guarantees against the injurious influences of those dark forces behind the scenes which are, to our crying shame, personified in those persons who are thunderously called by name from the tribune of the Imperial Duma?" In the presence of the Minister of the Interior an answer was superfluous.

A Cabinet viewed with unfeigned distrust at its initial appearance could not long endure, even without Trepov's crowning interference with the patriotic societies. Hence it was no great surprise to learn that Trepov had yielded his post to Prince D. P. Golitzyn. In the absence of detailed information concerning the new crisis, it is impossible to tell the precise causes of the upheaval. Of the new Premier little is known, except that he is a gifted author of pronounced aristocratic tendency, relatively inexperienced in administrative affairs. Aside from the change of Premiers, the Cabinet remains essentially the same. Protopopov retains his position, while Pokrovski, the new Minister of Foreign Affairs, is untrained in diplomacy, though developed in the Treasury Department. Golitzyn, like Trepov, has sought to push national questions into the background. "All for the war, all for victory! We cannot now think of reforms within the country." Thus the hope of coöperation between Government and people is once more dashed, and the military effectiveness of the Russian nation is still hampered by domestic discord. The cry is still raised for a Government of unquestioned patriotism, animated by a sincere desire to coöperate with the people towards the restoration of internal harmony and the accurate fulfilment of international obligations. As A. D. Golitzyn said in the speech quoted, "Only a Government as head of which is appointed a man with the inalienable right to invite into his Cabinet Ministers enjoying confidence and sympathy throughout the country—only such a Government will give us a proof of coherence, of unity of thought and purpose, of freedom from the injurious influence of currents behind the scenes and from the pollution of dark forces. There is no other way except to change the system. Until this takes place, we shall not pass from words to deeds." Thus Russia abides in disquietude.

SAMUEL H. CROSS

BOOKS

The City of Washington

A History of the National Capital. By Wilhelmus Bogart Bryan. Vol. I, 1790-1814. Vol. II, 1815-1878. New York: The Macmillan Company. \$10 net.

THE city of Washington has always had two distinct aspects, the municipal and the national. Mr. Bryan's history, in spite of its title, concerns itself almost wholly with the former. Indeed, it is the first painstaking effort to trace in detail the development of the city as a city, earlier essays in the same field having allowed the relations of the city to the nation to obscure almost everything less dramatic, picturesque, and entertaining. Hence we may search the pages of this work in vain for sundry familiar stories which the author apparently regards as apocryphal, while others are recast in new guises. Among the missing is the account of the controversy over a land deal between Gen. Washington and Farmer Burns in which the little man put the great one down where he belonged; but in its place we have one in which it is the General who figures as the canny chiel in the negotiation, directing his agents to obtain an option on the farmer's acres, good for two weeks, "at the end of which you should be free to be on and off, but the seller not so." The venerable tale of how Mrs. Madison, in her confidence that the Americans were winning the battle of Bladensburg, spread a feast in the White House for the delectation of the victors, gives place to a revised version which shows her so apprehensive of a British descent upon Washington that, as much as two days before the battle, she was packing her husband's Cabinet papers in trunks so that they could be carried off by coach.

We get sundry other illuminating glimpses of life in the embryo city during the period when it had no individuality, and when its temporary inhabitants from without constituted its only social element at all worthy of note. We see John Quincy Adams so far defying his staid New England traditions as to attend a horse race—merely to see what it was like, of course. We find that the first funerals of members of Congress established the precedent so faithfully followed into our later day, of serving alcoholic and other refreshments to the mourning colleagues at the public expense. The first diplomatic funeral, that of the Prussian Minister Gruehm, raised some question as to the official proprieties, which the President resolved by absenting himself from the ceremony, but sending his carriage, and the lawmakers by sending only two representatives of their body; and the European custom of carrying before the hearse the regalia of the order of merit to which the Minister belonged was discarded for fear lest the unsophisticated spectators might mistake them for Masonic emblems!

In the strictly municipal annals we are treated to vivid descriptions of the times when the Washington Gas Company charged eight dollars a thousand feet for its product, when it took an hour for the engine and hose companies to respond to an alarm of fire, and when the practice prevailing among the volunteer firemen, of fighting each other instead of the flames they had been summoned to extinguish, could be restrained only by the enactment of

a law forbidding any person less than twenty-one years of age to assist in hauling an engine. For a long while the finances of the city were at so low an ebb that its public institutions could not be properly supported, and private loans of money had to make up the deficiency when a sudden emergency was to be met and there were scant funds with which to meet it. Lawlessness was frequent, and a mob became the most efficient vehicle of expression for the popular will. In view of this riotous tendency, it is refreshing to read of the way the tables were turned when the Federal authority was forced to assert itself after the Civil War had converted the city into a great rendezvous camp. The military officers compelled the barkeepers to sign pledges not to sell intoxicants to soldiers; and when a publican ignored a prohibition imposed upon him, he was arrested without the formality of a writ, and his stock in trade emptied into the gutter. Persons who, in the judgment of the provost-guard, belonged to the criminal or vagabond class were labelled with a huge red placard, "Pick-pocket or Thief" and, preceded by a fife-and-drum corps playing the Rogue's March, were paraded to the railway station and put upon a train to be run out of town and dumped—nobody cared where, perhaps upon some other community. And when the Mayor, by way of emphasizing a municipal functionary's independence of Federal control, refused to take the oath of allegiance demanded of all United States officers, he was locked up in Fort Lafayette, where it took him about three weeks to change his mind and submit. Such departures from the normal processes were admittedly indefensible on technical grounds, but regarded as justified by the primal law of all government—self-protection.

The race issue has played no insignificant part in the story of Washington. For the first half-century of the city's life slavery existed there, and only during the latter part of that period does any serious thought seem to have been given to its abolition. Though the public schools were constructively open to everybody, the fact was that the negroes, who numbered about one-quarter of the population, were for the most part cut off from using them. It was not permitted to teach the slaves at all; and to the free negroes, notwithstanding certain efforts made for their religious instruction, it was the common habit to attribute much of the current disorder and crime. Every movement towards the secular education of the colored children met with strong opposition, sometimes accompanied with violence. Still, a few schools were opened by colored men and women for their own race; the negroes organized churches, fraternity lodges, etc., in the face of local laws designed to restrain them from holding meetings; and in 1847 Dr. Gamaliel Bailey established his *National Era* as an anti-slavery organ, though favoring only constitutional methods of emancipation. The Underground Railroad conducted a pretty brisk business from Washington for a time, and the successful escape of a slave woman and her five children on an oyster-boat in the night suggested a larger use of water-craft as an adjunct to the usual land routes; so in 1848 a schooner which had brought a cargo of wood up the river took aboard for her return trip, under cover of darkness, seventy-six slaves of all ages and both sexes. She was, however, detained overnight at the mouth of the river by adverse winds, and the owners of the runaways, missing their servants the next morning, hired a steamboat and started in pursuit. Schooner and passen-

gers were captured, most of the negroes were sold to a dealer to be taken South, and the owner and captain of the vessel were imprisoned more than four years for larceny. Indirectly, the incident helped promote the compromise measures of 1850 under which the slave trade was abolished in the District of Columbia.

In 1851 the *National Era* published as a serial a story written for it by an occasional contributor, one Harriet Beecher Stowe. It was entitled "Uncle Tom's Cabin," and was destined, when reprinted in book form, to become, *par excellence*, the classic of the Abolition movement, and to make its author famous throughout the world. Although Abraham Lincoln, then a Representative in Congress, declared as the result of a careful personal investigation that a majority of the citizens of Washington were opposed to slavery, the general distaste for agitation on the subject was so intense that when, some years later, it was reported that Henry Ward Beecher had been called to the pulpit of the local Congregational church, the *Star* sounded an editorial warning: "If, under pretence of preaching the gospel, he undertakes to malign us after his old fashion in our very midst, the people of Washington will pay him in tar and feathers, or some similar currency."

The confusion of authority which was bound to occur at every turn in administering the affairs of a community supposed to be autonomous, and yet, as the Federal district of the Constitution, subject to the dominion of Congress, brought about repeated changes in the forms of local government, of which Mr. Bryan gives us a very satisfactory record. The story of the epoch-making Shepherd régime, of the breakdown of the elective Legislature, of the final evolution of the appointive commission of three, and of the unravelment of the fiscal tangle by the adoption of the present system whereby the Government of the United States assumes one-half the burden of taxation, is succinctly related; and an impression is left on the reader's mind that the bulk of the intelligent and responsible citizens of the District are well content to remain disfranchised for an indefinite time rather than invoke a repetition of the unfortunate experiences of two-score years ago.

Mr. Dreiser's Favorite Hero

A Hoosier Holiday. By Theodore Dreiser. With illustrations by Franklin Booth. New York: John Lane Co. \$3.

MR. DREISER, novelist, with Mr. Booth, artist, and Speed, chauffeur, drove a Pathfinder car from New York to Indiana to revisit the scenes of the author's early life. Mr. Dreiser describes with occasional Whitmanesque rhapsodies the sights and smells and sounds and the "feel" of cities, countrysides, summer resorts, mines, bridges, hotels, drug stores, saloons, garages, "resorters," farmers, clerks, barkeepers, policemen, hotel-keepers, and waitresses. Mr. Booth contributes some thirty soft, smudgy, sympathetic charcoal sketches, including a view of Wilkes-Barre, a coal-breaker near Scranton, a Buffalo grain elevator, an Ohio wheat field, the main street of Indianapolis, French Lick, and roads, rivers, houses, and mills of Indiana. Speed adds his shrewd young personality and some beguiling stories. The publishers have

put all this into a tall, handsome volume of 513 pages, and have summarized the result as follows: "a vivid picture of the Middle West," "a criticism of America," "a confession of faith," "a personal record," "the author's own youth and early aspirations."

It is very much like a Dreiser novel without a plot—the same slice of life, the same sense of cutaneous contacts, the same aspersion of law and morality and religion, the same barnyard notions of "love," the same sentimental Caliban philosophizing, the same genuflections before the mystery of physics and chemistry, and the same difficulties with English grammar. Like many other representatives of the naturalistic school, Mr. Dreiser is ashamed only of being ashamed. Until he wrote "The Hoosier Holiday," "The Genius" and "Jennie Gerhardt" might have passed as fiction, as works of the imagination. He has done in this last book what he could to reveal their intimate and vital connection with the Dreiser family. About himself he has confessed nothing that is not patent or easily inferrible in his previous writings, and we see no serious objection to his establishing the fact that he is his own favorite hero. He has now, however, exposed the badly soiled linen of his relatives and friends with a brassy impudence which we can only trust meets with their entire approval. "Personally," he says, "I am by no means a conventionalist." Truer word was never spoken. He is outside all the conventions and decent loyalties of the society which he professes to represent. Apparently he has never been inside them. Obviously he knows no more of the significance of the Middle West than he knows of the mountains of the moon.

The whole truth about our traveller is that he was an ill-bred, undisciplined child, and that he has never grown up. If the truth seems less harsh in his own words, let us have them: "Life was a strange, colorful, kaleidoscopic welter then. It has remained so ever since." If there is one thing which life isn't to the convention-loving, purposeful, progressive, scientific Middle West, it is a "strange, colorful, kaleidoscopic welter." To our feeble sense it is not at all clear why we should concern ourselves with a "criticism of America" from a critic who resides at the heart of a "kaleidoscopic welter." Yet the so-called "critical" element is really the piquant and amusing novelty in this huge book. Leaning out from his colorful welter, Mr. Dreiser exclaims with his characteristically Teutonic choiceness of phrase: "Dear, crude, asinine illusioned Americans! How I love them!" And again: "Dear, kind heaven, how shallow some people are!" And once more: "Kind heaven, what is the matter with a country where such things can be? What's the trouble with their minds anyhow? What a deadly yearning for the commonplace and crude and offensive possesses them!" This last effusion rushed to our observer's lips at sight of a brick and plaster mausoleum connected with a crematory in Ohio. This note of disgust with his fellow-countrymen for their addiction to the "commonplace," the "crude," and the "offensive" is, we say, piquant from the author of "The Genius." It is Mr. Dreiser's new note. It is the one falsetto note in an author whose sole virtue has been to reproduce without discrimination the "sensory sting" of life. For our author's true individual note we may turn to an excerpt from the dialogue between him and an Erie policeman:

"Get out of here!" he shouted angrily at one street corner, glaring at us, "sticking your damn noses into everything!"

"What the hell ails you anyhow?" I replied, equally irritable.

"Well, you can't come in. Get out!" and he flicked his boot with his hand in a contemptuous way.

"Ah, go to hell," I replied angrily, but we had to move just the same.

When one tries to harmonize Mr. Dreiser's æsthetic falsetto with his naturalistic bass, one recognizes that life is indeed very complex. One repeats his own profound exclamation, "Oh, to escape endless cogitation!" One yearns to flee away from the colorful welter. To one's mind recurs his own exquisite and haunting image of the buzzard winging its way on wide pinions through the blue, seeking, seeking—what?

"Life" Stories and Life

The Unwelcome Man. By Waldo Frank. Boston: Little, Brown & Co.

The Rise of Ledger Dunstan. By Alfred Tressider Sheppard. New York: D. Appleton & Co.

The Balance. By Francis R. Bellamy. New York: Doubleday, Page & Co.

THE three "life" stories before us may be taken together as representing three distinct moods of interpretation—philosophizing pessimism, "realistic" groping, and romantic idealism.

Mr. Waldo Frank's "The Unwelcome Man" is not an enlivening narrative, but that, in relation to the author's purpose, is neither here nor there. He is out for bigger game than entertainment, scents an Idea on the horizon, and pursues it without ruth for his hero or his reader. It is, to be sure, a familiar idea, almost the ruling idea of earnest Anglo-American fiction in the twentieth century: the idea of a society ruled by hollow precedent and wooden convention, and bent upon repressing and compressing every human soul till it fits the pattern. Quincy Burt is the unwelcome man not because he is Quincy but because he is man. He is the child trailing clouds of glory; the boy who, troubled and alone, would still fain hitch his wagon to a star; the youth stumbling, with yet a rift of blue sky above him, in the shadows of the prison-house; the man about whom the walls have finally closed, chained to his fellow-victims, helpless and hopeless: a "lifer," by due process of the laws which govern human society. He is born in a Long Island village, the last unwelcome child of a too-large family. His father is a big, coarse, not unkindly man who has never prospered, and who dimly holds his faded wife responsible for the increasing burden of his paternity. Sudden wealth comes, and the inevitable flitting to New York. The boy Quincy has thereafter all the "advantages," but remains an outsider. His dreams and vague aspirations are ridiculous to his family; even his mother, who really loves him, has no understanding of him. At college his failure to conform to the rules of "college spirit" and of athletic slavery isolate him. He falls in love with a professor's wife, and with her later consummates a strange and fruitless amour. Bit by bit his faith in life and his hopes of it are stripped away, and in the end he sets himself deliberately to shaking off the last remnants of his dream. He leaves college for the city

and an office desk, pursues his way with a growing sense of impotence, fails at friendship, fails of marriage. And here, in the author's inflated and totally humorless style, is the upshot: "The city is a maze of channels. Through them moves everlastingly a turbid Stream. Its weight eats downwards; deepens the channels; heightens their walls. And as the City tilts, so runs the Stream. The history of Quincy is lost in the Stream's clotted pressure. He is one more molecule, replenishing its substance. Alone in its blind level of mass and flow, of clinging death and leaping restlessness, has he a true reality. The Stream is a solution of what had been the flaring, eager things of life. The Stream's source is Quincy. Quincy's epilogue is the Stream."

Ledgar Dunstan's initial problem is the same—how to make his escape from smothering convention. But with him it is a convention of family and class rather than of society as a whole. Escape is not impossible for him: it is really his starting point, and the main question is what he is going to do with himself after he has established his freedom. His parents are provincial Baptists of the old school, of narrow habits and mean outlook. His father is that martinet and hypocrite whom the Wellsian school has identified with the British paterfamilias of the nineteenth century. He is the cruel god of an unhappy microcosm. We do not quite assist at Ledgar's entry into this worldlet, but we know him in the nursery, at chapel, at school. His infancy, his boyhood, his younger manhood, are laid before us with that scrupulous (and ruthless) particularity which the "life" novel prescribes. It is an admirable method, other things being equal—or rather, under one condition: that the human subject of our study shall be inherently worth our trouble. We have no doubt about Jean-Christophe, about the conquering Pelle: but they, with all their faults, are persons of extraordinary quality—of personality if you like, but of something more. It is not, in "the last analysis," their genius which binds us to them, but their character. That is what sets them infinitely apart from the scores of feeble, fumbling, amiable, and utterly insignificant youths about whom the lesser story-tellers have been building their exhaustive and indeterminate narratives. Ledgar Dunstan fails, in the present instalment of his story, to prove his worth for us. The author creditably refrains from basing his hero's pretensions to our regard upon his alleged success as a novelist. He happens to be an artist, but we are not asked to excuse his vagaries on the score of that famous "temperament," and though we leave him on the crest of the wave, an author who has arrived, a lover who has won, we are not to consider him disposed of. At this point, to be sure, he is simply a rather nice young chap, whom we wish well; but in the promised sequel, "The Quest of Ledgar Dunstan," we shall perhaps be persuaded to take him more seriously.

"The Balance" is the story of another young genius, whose triumph is that we could have very comfortably dispensed with him as a genius, but should have been sorry to miss him as a man. Never mind whether, on cold second thought, we believe in his threefold conquest of Broadway; we do, on the whole, believe in himself, if only for the sake of his Carrie. And indeed his creator encourages us in our negative attitude towards his prowess as a dramatist, since the whole story takes the form of a whimsical protest against the stupidity of the formal biographers of that great man. In refreshing contrast with the imper-

sonal sententious style which now prevails, this new writer employs (we will not say adopts) the confidential manner which recurs in generation after generation of English novelists: with Fielding, with Thackeray, with Du Maurier, with De Morgan—or in the America of our own period, with Mrs. Watts. His chapter headings, his asides, his habitual use of the present tense, his way of presenting certain facts and pretending to leave their interpretation to the reader, his air of indulgent skepticism, and his underlying vein of strong sentiment—these things all serve to "place" him (if that matters) among his fellow-story-tellers. But the important thing is that, with whatever gesture and accent, he has succeeded in telling a delightful story. And the really central figure in it is not our genial and fallible voyager "Sammy," but the lode-star by which, with all its drifting and driving towards the rocks, his ship is repeatedly saved from wreck, and at last set upon the true course—Carrie Schroeder, as sweet and fine a woman as recent fiction has produced. She is sufficiently modern (while she is waiting for Sammy to find himself) to throw off parental tyranny and find a place and a work of her own. But in everything that counts she is an "old-fashioned woman," gentle, modest, sure of the difference between right and wrong, hating sin and loving sinners: especially her own particular sinner, to whom as a child she has once for all given her heart. The book is not all upon the plane of this characterization, there are touches of melodrama which detract from its purity as a romance. But it remains, as a whole, a delightful story. For Sammy's wanderings are not in vain, and we are brought safe to port with him. What a relief to get somewhere, now and then!

Reminiscences of Egypt

Chapters from My Official Life. By Sir C. Rivers Wilson. Edited by Everilda MacAlister. New York: Longmans, Green & Co. \$3.50 net.

SIR C. RIVERS WILSON did good work in many positions of trust, notably as one of the three English Commissioners to the Monetary Conference held at Brussels in 1892, as the representative of the English bondholders of the Central Pacific Railway in 1894, and as president of the Grand Trunk Railway of Canada from 1895 to 1909; but his name will be best remembered in connection with Egyptian finance. He was sent to Egypt as one of the three British representatives on the Board of the Suez Canal Company after Disraeli's purchase of the Khedive Ismail Pasha's shares in that undertaking towards the end of 1878; he was a member of the Commission of Inquiry, instituted by Khedivial decree of April 4, 1878; was nominated Egyptian Minister of Finance in November of the same year, and President of the Commission of Liquidation, the old Commission of Inquiry "writ large," appointed by Khedivial decree of April 2, 1882. Thus he had a hand in the shaping of the events which prepared the way for the British protectorate, finally acquiesced in by France when, in 1904, after his term of Egyptian activity had passed, the Morocco tangle resulted in the Conference of Algeiras, and an Anglo-French agreement that blossomed out in the Entente Cordiale.

His reminiscences do not belong to the same order of writings on Egypt as Lord Cromer's and Lord Milner's. Neither does his book resemble those of French authors

as de Freycinet, Bourguet, and Gouin. Writing in a chatty style, he furnishes information on historic incidents by dwelling less on their logical sequence than on the undercurrents in the diplomatic life of the period to which they pertained. Incidentally, his own narrative shows the correctness of Lord Cromer's estimate of him which, acknowledging his sound financial training, laid stress on his deficiency in experience of Orientals and Oriental statecraft when he entered the Egyptian service. This accounted for Wilson's failure in 1879, when he had to resign, largely in consequence of his excessive reliance on Nubar Pasha, his colleague in office and the Khedive's disgrace, Cherif Pasha being then entrusted with the formation of a new Cabinet.

Notwithstanding his "treasury conscience" which occasionally made him enemies—among them the Khedive himself, who, in common with the majority of Eastern potentates, wanted progress, but balked at the means of attaining it—Wilson boasted, thanks to his sterling qualities and pleasant address, a large list of friends and acquaintances, which included many eminent contemporaries in both hemispheres, from Thackeray to President Cleveland and Madame Juliette Adam. Speaking of them, he gives his undisguised opinion, considering Richard Burton, for instance, "not a veracious person," and Mrs. Burton "what you might expect from her book, rather a gusher." Especially in the extracts from letters, written to his wife and inserted by his editor, Sir C. Rivers Wilson tells without reserve what he thought of people and things, why he acted in this or that fashion, and thus in the telling reveals what manner of man he was.

This frankness, together with the flavor they derive from the anecdotes freely interspersed, constitutes the chief attraction of his memoirs. They offer little that is new regarding Britain's Egyptian enterprise or the other political and industrial movements which the author helped to promote. But the gossip comment sheds additional light on various important questions that cropped up in the latter half of the nineteenth century. Wilson's wide, singularly un-insular sympathies, probably the fruit of his having been at school in France and Germany before and after going through the Eton mill, come out in chapters which contain recollections of Paris, a city he knew well. His gossip embraces American experiences, sculptures and pictures, the Garrick Club, and his bulldogs, which he ranked among the best friends he ever had, though Mr. Blunt, visiting him in London, found him "in bed with a cold and a fox-terrier."

What we have here is the intimate autobiography of an amiable, unpretentious, highly cultivated English gentleman, who played in Egypt, as Lord Milner wrote to his widow, a courageous part under circumstances of great difficulty, and who, in his financial capacity, showed throughout his public career the extraordinary ability, industry, and knowledge for which Robert Lowe, Chancellor of the Exchequer, praised him in a private letter to Gladstone. The book carries us back to the initial stages of the task Britain has set herself in the land of the Pharaohs, and it demonstrates again the truth of Napoleon's remark when a captive at St. Helena: "Sous une bonne administration le Nil gagne sur le désert—sous une mauvaise le désert gagne sur le Nil; en Égypte le Nil, ou le génie du Bien, et le désert, ou le génie du Mal, sont toujours en présence."

Notes

PUBLICATION of "These Times," by Louis Untermeyer, is announced for March 15 by Henry Holt & Company.

The following volumes will be published on Saturday by George H. Doran Company: "Scars and Stripes," by Porter Emerson Browne; "Madam Prince," by W. Pett Ridge; "Women Are People," by Alice Duer Miller; "The Man Who Tried to Be It," by Cameron Mackenzie; "The Chaste Wife," by Frank Swinnerton; "The Boys' Book of Canoeing and Sailing," by Warren H. Miller, and "The White Queen of Okoyong," by W. P. Livingstone.

D. Appleton & Company announce for publication this month: "An Alabaster Box," by Mary Wilkins Freeman and Florence Morse Kingsley; "The Former Philippines Through Foreign Eyes," by Professors Craig and Benitez; "An Introduction to Social Psychology," by Charles Ellwood; "The Financial Administration of Great Britain," prepared for the Institute of Government Research by W. F. Willoughby, W. W. Willoughby, and Samuel McCune Lindsay; "Town Planning for Small Communities," by Charles S. Bird; "Municipal Functions," by H. G. James, and "Great Britain's Part," by Paul D. Cravath.

The following volumes are announced for publication during March and April by G. P. Putnam's Sons: "The Gun-Brand," by James B. Hendryx; "The Way of the Winepress," by W. Riley; "A Short History of Rome" (2 vols.), by Guglielmo Ferrero and Corrado Barbagallo; "Growth in Silence," by Susanna Cocroft; "Correct Carriage for Business Men," by H. Irving Hancock; "Russia Then and Now, 1892-1917," by Francis B. Reeves, and "The Man in Court," by F. D. Wells.

THE development of the waterpower of the French Alps during the last fourteen years is described most suggestively in the *Annales de Géographie* for January. It states facts which should be pondered carefully by all interested in the development of this great source of wealth in our own country. After showing what industries had been introduced by this means in this region, in which paper-making occupies a prominent place, attention is drawn to a very noteworthy fact. The mountain regions, which the commercial revolution of the nineteenth century had depleted of their inhabitants, have become repopulated in an extraordinary manner. A village which had only ten inhabitants in 1860 now has more than 700. These villagers are largely cultivators of the land, and they are greatly aided by the artificial irrigation made available in the recently installed waterpower. There is also an interesting sketch of the history of the French occupancy of Morocco during the last ten years, closing with a well-deserved tribute to the pacificatory work of General Lyautey, who has succeeded Joffre. The correspondent of the London *Times* has characterized General Lyautey's work as "without precedent in history."

THOSE who are acquainted with Prof. Albert Guérard's "French Prophets of Yesterday" and his "French Civilization in the 19th Century" are aware that he knows modern France extraordinarily well. He has read widely not merely in the poetry and fiction of the last century, but also

in its historical, philosophical, and religious works. Full of concrete information and detailed characterizations of individual authors, his books have been especially notable for their lucid charting of the main currents and cross currents of the intellectual movement in France. In his latest volume, "Five Masters of French Romance" (Scribner; \$1.50 net), aimed at that part of the American public which reads yellow-backed novels, there is less of the literary cartographer and perhaps more of the critic. Though born and educated in France, Professor Guérard does not write like a devout Catholic nor like an emancipated Catholic, but, to a remarkable degree, like an American critic in the central Anglo-Saxon tradition. His point of view, in other words, is that of a Protestant-minded person primarily concerned with moral and intellectual values.

HIS "five masters" are Anatole France, Pierre Loti, Paul Bourget, Maurice Barrès, and Romain Rolland. He feels, as many readers on this side of the Atlantic have felt, the various seductions of this group of great writers, but he treats them on the whole with severity. It would not be quite adequate to say that he treats them with the severity of an American professor. He treats them rather with the judicial detachment of the austere younger generation which throughout the world is being created by the war of the German invasion. He speaks with the voice of children condemning the sins of their fathers in the light of a lurid revelation. Everywhere the war is made the touchstone of enduring worth. With Loti's sentimental compassionateness he is, we think, unduly sympathetic; the relation between his type of pity and the divine compassion is infinitely remote; yet it is easy to understand how any type of pity may be overvalued amid the contemporary riot of ruthlessness. His contempt for the volitional impotence and the streak of cold salaciousness in Anatole France is quite in accord with the critical spirit of the younger generation. So too are his condemnation of the "systematic pessimism" of Bourget and his admirable exposure of the defects of the Barrèsian nationalism. "I am trying hard," he says, "to understand the Prussian Junker, the Pan-Germanist Professor, the Barrèsian nationalist; I may come to 'forgive' them, to admire them, possibly to like them—but agree with them?—God forbid! What Barrès calls *French truth*, I should like to call *French aberration*." The attitude of Romain Rolland is not for Professor Guérard the alternative. The attitude of the author of "Above the Strife" he finds lacking on the one hand in humility, and on the other in really high seriousness: "An admirer of Tolstoy rather than a Tolstoyan; an epicure of cosmopolitanism rather than an internationalist; in all things, an eclecticist, not a believer. He could not repeat, full-heartedly, the words of William Lloyd Garrison: 'My country is the world, my countrymen are all mankind!' His country is the world of art, his countrymen the élite of culture." When one finishes this volume one is conscious that many good things have been said on these three theses: that humanity is more than nationality, life than art, and truth than beauty.

OWEN WISTER writes a preface for Henry Dwight Sedgwick's "Apology for Old Maids" (Macmillan). The reason for that is of an intriguing mysteriousness. There rises also the question why the essay on spinstresses was selected to bear the banner before the other eight:

"De Senectute," "The Religion of the Past," "Credo Quia Possibile," "On Being Ill," "The House of Sorrow," "A Forsaken God," "The Classics Again," and "Literature and Cosmopolitanism." If humor were present elsewhere in the volume, one might interpret the maidish title as the author's whimsical criticism of the somewhat thin, refined, old-fashioned, lavendered body of doctrine which he presents. But Mr. Sedgwick's vein is as gravely sweet as that of Mr. A. C. Benson, than whom no English writer is more clearly above the suspicion of a joke. One is almost constrained to believe that the title was designed to entice old maids, and the preface to give them a shudder as they enter what Mr. Wister calls this "quiet house of revery." The phrase aptly enough conveys the general effect of these very gentle dialogues and discussions on such well-mellowed themes as that age has its advantages, that there are certain enduring values in Christianity, that illness changes the aspects of life, that by suffering we learn, that the classics are a refuge for the classicist, and other useful truths. Mr. Wister hints a doubt whether Goethe, discussed in "A Forsaken God," was ever as potent an influence among us as is here made out. If we were inclined to quarrel with a man's reveries, we should go further and hint a doubt whether he ever deserved to be. To tell the truth, there is just a shadow of inconsistency between Mr. Sedgwick's apology for the Holy Spirit and his setting Goethe up as "the embodiment," morally and intellectually, of what all men should be—and what an ideal, by the way, for an old maid to strive after!

ONE of the most admirable of the Greek volumes yet published in the Loeb Classical Library (Putnam; \$1.50 net each) is Dr. A. J. Brock's edition and translation of Galen "On the Natural Faculties." Our estimation of the book is, we admit, entirely that of a philologist, not of one versed in medicine, ancient or modern; but as we can judge it, Dr. Brock's book seems to be a model of what such a work should be. The introduction says enough to put the layman in the way of seeing the importance of the problems Galen was dealing with, and gives, incidentally, a pretty bit of analogy between Galen's "faculties" and the recent philosophy of Bergson. The translation is close and idiomatic, and the notes adequate. Dr. Brock calls attention to the excellence of Galen's language as a medium of scientific exposition. He says nothing too much, for the style of this controversial physician is remarkable among the writers of his age for its simplicity and elegance. We are tempted, as a work of edification for any man of science who may read this note, to quote a few words from the first page of the treatise:

We, however, for our part, are convinced that the chief merit of language is clearness, and we know that nothing detracts so much from this as do unfamiliar terms; accordingly we employ those terms which the bulk of people are accustomed to use. . . .

THE paper and printing of Galen are among the best of the series, owing in part to the fact that it contains only 340 pages. We were about to say the same for the "Daphnis and Chloe," which, with "The Love Romances of Parthenius," forms another of the recent issues, when our eye fell on page 238, an example, of which there are others in the volume, of the stupid typography that disfigured so many of the earlier issues. Somebody still goes to sleep

occasionally when these books are printed. The English of the "Daphnis and Chloe" is the seventeenth-century version of Geo. Thornley, revised by J. M. Edmonds, of Jesus College, Cambridge. The work as it stands is capital, verbose at times as was the way with those old "gentlemen" translators, but spirited, and, in its present form at least, sufficiently close to the original.

ANOTHER new work begun in the Loeb Library is "The Greek anthology," with a translation by W. R. Paton. One novel feature of this volume is a list of previous translations printed under those epigrams which have been popular. The "Anthology" as a whole, in this portable form, will supply a real want. The fourth volume of Professor Perrin's Plutarch brings us the lives of Alcibiades and Coriolanus, Lysander and Sulla. There is also the second volume of Walter Miller's "Cyropaedia" of Xenophon, and the fourth volume of Dio's "Roman History," which Earnest Cary is reëditing and revising with painstaking faithfulness.

THE old problem of the nature of history and historical writing is once more attacked with vigor, this time by Prof. Frederick J. Teggart, whose "Prolegomena to History" forms Vol. 4, No. 3, of the University of California Publications in History (Berkeley: University of California Press; \$1.50). Professor Teggart is not convinced that "scientific" history, so-called, is really scientific, or that many of the works which profess to embody that ideal are really history. Science, as he points out, is not simply an orderly array of data. It does not proceed without assumptions, nor does it hesitate to draw conclusions. It does not regard all facts as equally important, but selects those which it believes to be, or perchance finds to be, relevant or typical. Moreover, in its search for truth it is constantly widening the area of its observations, seeking help in other related fields for the elucidation of the particular problem in hand. Scientific method, in other words, is a method of discrimination, appraisal, and synthesis quite as much as of analysis and description. Weighed in this balance, the scientific historian is found wanting. He does in reality select his facts, if for no other reason than the physical impossibility of describing them all; and in the very process of selection he cannot avoid violating his cardinal rule of impartiality. The historian is "memory's mouthpiece for his countrymen," and history is "the inspiration of the patriot." What the historian needs to do is to "set himself consciously to apply scientific methods to the subject-matter with which he is concerned." Freeing himself from "preoccupation with documentary evidence," he will find that history "cannot be confined to any one set of happenings or to any one category of facts"; and he will include in his view not only anthropology, but geology and biology also. The true history, in other words, will emphasize the evolution of world interests, rather than "the war-compelling spirit of nationality." Professor Teggart punctuates his text with extensive quotations, and his bibliography takes a wide range.

WHAT started as an amiable hobby more than twenty years ago Frank J. Wilstach has finally developed into a formidable tome of nearly 500 pages ("A Dictionary of Similes"; Little, Brown; \$2.50 net). The phrase "to spread like wildfire," casually noticed in 1894 as of the common

stock of newspaper writing, originally started him on the chase after similes, his subsequent pursuit of which has been like—we pause for reference to his own pages and judicially decide on "a June bug by a duck." The result is interesting, but as a book of reference to determine the authorship of a given simile, its usefulness will be limited, partly, of course, because of the inevitable incompleteness of the collection (we have, for instance, taking a common expression at random, looked in vain for the intriguing comparison "hell bent for election") and the difficulties of correct attribution, and partly because of the alphabetical arrangement. This is not under the terms of the simile itself, but under the word which the simile is used to define. If, for example, we are anxious to uncover the anonymity of the comparison with a "bull in a china shop," we must look not under "bull" but under "awkward." On the other hand, authors who, like George Moore, discover that "it is hard to find a simile when one is seeking for one"—an avowal that has greatly encouraged Mr. Wilstach in his task—will find here an ample selection ready to their hand. Whether many writers of distinction, like, say, Mr. George Moore, will be greatly tempted to avail themselves of the resource appears as doubtful a question as whether many poets of distinction are in the habit of interrupting the divine afflatus to refer to a rhyming dictionary.

IN a recent number of *Popular Astronomy* Mr. Russell W. Porter, of the Massachusetts Institute of Technology, makes a real advance in facilitating the study of the moon's surface. The selenographer's first need is a means of iden-

THE NATION	
	
A WEEKLY JOURNAL	
Published and owned by the NEW YORK EVENING POST COMPANY	
OSWALD GARRISON VILLARD President	JOHN PALMER GAVIT Sec. and Treas.
EMIL M. SCHOLZ, Publisher.	
Entered at the New York City Post Office as second-class mail matter	
SUBSCRIPTION RATES.—Four dollars per annum, postpaid, in United States and Mexico; to Canada, \$4.50, and to foreign countries comprised in the Postal Union, \$5.00. Address, THE NATION, 20 Vesey Street, Box 794, New York, Publication Office.	
LONDON OFFICE:	16 Regent Street, S. W.
WASHINGTON OFFICE:	Home Life Building
CHICAGO OFFICE:	332 South Michigan Avenue
BUENOS AIRES OFFICE:	Lavalle 341
HAROLD DE WOLF FULLER EDITOR	
STANLEY WENT ASSISTANT EDITOR	PAUL ELMER MORE ADVISORY EDITOR
WILLIAM G. PRESTON ADVERTISING MANAGER	R. B. McCLEAN BUSINESS MANAGER

tifying craters and other features. Many maps of the moon have been made for this purpose, drawn from a triangulation of several points scattered over its surface, the topographical detail being filled in by hand. They have varying degrees of excellence, and represent a vast amount of time and labor. With the advent of photography it was thought that a photograph of the moon, taken at full, would provide all that could be desired in recognizing any particular marking. But such is not the case: many of the lunar features are completely obliterated at full moon. To those familiar with lunar photographs or visual work at the telescope it is known that only along the terminator, or boundary between the lightened and darkened portions of the surface, does the character of the topography stand out clear and distinct; and any attempt at assembling, photographically, several negatives taken on the terminator and scattered over the entire moon, is abortive in consequence of their differences of scale and aspect, due to unequal distances of the satellite from the earth and changes in libration. Mr. Porter's improvement over the usual type of chart has been effected by preparing a *réseau* or network of meridians of longitude and parallels of latitude, carefully locating thereon the main features from full moon photographs, and then transferring to this skeleton framework by hand the details found on the terminator prints. At Jamaica in 1900 Prof. W. H. Pickering took many photographs of the moon at varying phases with a telescope of exceptional size and focal length, and it is these that Mr. Porter has made the basis of his unique map of the moon, showing at a glance the sunrise aspect of every crater. The orientation is as if seen through an inverting telescope, and, while the projection represents, of course, an impossible condition of illumination, that is, lunar sunrise on all the craters we ever see, Mr. Porter's map, nevertheless, appears to possess photographic accuracy, and a similar companion chart of the sunset aspect of all the craters would be well worth the making.

Notes from the Capital

Daniel Chester French

THE recent decision of the Controller of the Treasury disallowing the claim of Daniel Chester French for \$154 of expense incurred in altering the pin-feathers on the model of an eagle designed for the national Lincoln Memorial in Potomac Park, brings to mind the first money earned by French for a public work, and shows that small communities are sometimes more open-handed than great republics. He was in his early twenties and living at his father's home in a Boston suburb, with all his fame as a sculptor still to make, when the citizens of Concord, Mass., resolved to celebrate the hundredth anniversary of the opening battle of the American Revolution by erecting a suitable monument on the precise spot where the "embattled farmers" stood when they "fired the shot heard 'round the world." In a most modest bid put in at the instigation of his father, the unknown genius proposed to furnish a statue of a Minute Man, after a design simultaneously submitted, for what he had calculated would be its actual cost, four hundred dollars, adding that, if the citizens of Concord should see fit to pay him any additional sum for his product, he would be grateful, but if not, he would en-

deavor to be content. When the statue was finished, so universal and so generous was the praise of it from critics best qualified to judge, that not only was the specified four hundred paid him for his expenses, but an additional honorarium of one thousand was thrown in.

The Controller's decision in the present instance does not regard in any way the merits of the work done: it involves simply the technical question of the authority of the architect, Henry Bacon, to order changes in design which would increase the cost of the memorial in this manner. It does seem extraordinary, however, that any eagle which had once passed muster with French should need alteration, even in its pin-feathers, for he is recognized as a practical ornithologist, having taken up the study of birds originally for enjoyment, and later, while working at Cambridge, made great advances under the tutelage of his friend William Brewster. One of the most popular of the small groups modelled by him when he was about thirty years of age was *The Owl in Love*. In recent years he has not attempted to do much with animal life in any form, even as accessory to his human figures, but has turned nearly everything of that sort over to some brother artist. For two of his especially notable statues, his Washington in Paris and his Grant at Philadelphia, as well as for his Columbian quadriga at the World's Fair in Chicago, the horses were contributed by Edward C. Potter, who always works with him in fine harmony. It is interesting, in this connection, to remember that the very first evidence of his artistic bent came through a bit of animal caricature. He had reached the age of eighteen without showing a particular aptitude for any one line of effort, and was still blindly groping after some suggestion, when one morning he came out of his room bearing a little image which he had carved out of a green turnip with his penknife—the comic figure of a bullfrog clad in the fashionable attire of the day. The instant she saw it, his mother exclaimed: "Daniel, there's your calling!" And he followed up this idea. May Alcott, of Concord, from whom her sister Louisa drew the character of Amy in "*Little Women*," was an artist and a friend of the French family. She took an interest in the lad, showed him how to mix and mould clay, and lent him a set of modelling tools. The first evening he had this equipment, he drafted his whole household into the enterprise, and they sat till bed-time around the dining-table, trying their unskilled hands at fashioning statuettes. Daniel's subject was a dog's head.

The sculptor's father, Henry Flagg French, was for a while an Assistant Secretary of the Treasury in Washington, and in one corner of his office, as I well remember, he kept a full-size plaster cast of the bust of Emerson executed by the son at a comparatively early age. It was the first work of Daniel French's I ever saw, and I was so struck by it as a portrait that I inquired instantly the sculptor's name. It was not surprising to learn that Emerson was delighted with it, declaring, "There is the face that I shave!" and contrasting it with a bust by another sculptor which he said was "as harmless as a parsnip." The old gentleman used to love to tell about his sittings in French's studio, and his pleasure in watching the gradual development of a formless lump of soft earth into a human head and face, with the whimsical conclusion: "And the more it grew to look like me, the uglier it was."

Though he has made his home for many years in New York, French has never quite ceased to be a New Eng-

lander. He spends substantially half the year at his rural retreat near Glendale, in the Berkshire Hills, and from his appearance and speech any discriminating observer could without difficulty place him correctly on the map. He is a man of many interests outside of his own specialty—on which, by the way, he never harps—and an entertaining companion, with a cheerful humor that vents itself in funny little bits of description and characterization. It would be illuminating to hear what he had to say about the Controller's decision.

TATTLER

Reviews of Plays

"PALS FIRST"

THE last of the crook plays, like the last of the detective stories, is not yet in sight, and there is indeed no reason to suppose that this dramatic type may not become the same sort of hardy perennial to which detective fiction long ago attained. In its favor is the fact that even the tired business man may desire for relaxation a play which keeps his mind alert, just as, with the same end in view, he might turn to auction or to studying the strategy of military manoeuvres or sport. Fortunately for the stage, not many tired brains can be distracted by inanity; they require some invention and ingenuity. It is just here that crook plays, without aspiring to greatness, may help to satisfy a legitimate need. They are as a rule far enough removed from actual life to prevent any very critical appraisal of the character drawing; the plot is nearly everything. It should, as in the case of "Pals First," whet the curiosity of the audience and delay the solution as long as may be by honest means. For the principal parts of this play, which is adapted by Mr. Lee Wilson Dodd from Mr. F. P. Elliott's novel of the same name, the management chose wisely in selecting William Courtenay and Thomas A. Wise. In the friendship of Danny and Dominie is more than a hint of that of Prince Hal for that best of all crooks, Falstaff, and with the character of Falstaff Mr. Wise has, of course, had some recent acquaintance.

F.

"THE PROFESSOR'S LOVE STORY"

TIME has not staled the charm of this early play of Barrie's, although it may emphasize the crudity and inexpertness of composition often noticeable in it. Its popularity when E. S. Willard played the part of Professor Goodwillie with notable success and the popularity which the present revival at the Knickerbocker Theatre is likely to achieve are to be explained by the eternal appeal made by a simple love story and by the delicate whimsy that Barrie always imparts to his plays and his novels. The Barrie of to-day might write a far worse acting play, but he would be incapable of committing the same faults that stand out in "The Professor's Love Story"—he would, for instance, reject instantly, if the idea ever occurred to him, the extraordinarily mechanical incident of the old letter-box. It cannot be said that George Arliss's performance of the absent-minded professor measures up to the standard set by Willard, a gifted actor whose place still remains to be filled. Willard imparted to the character a warmth and humanity which made the audience love and laugh at the professor at the same time. Mr. Arliss fails to rise above the mechanics of the part; there are few moments when

one really glimpses the underlying sweetness which compelled the love of Lucy White; one laughs at the tricks of absented-mindedness, even while suspicious that Mr. Arliss is overemphasizing them, but one does not love them. Amusing as Mr. Arliss's rendering of the rôle is, one has the feeling that he is the victim of his own virtuosity as an eccentric comedian. The supporting cast is a little uneven. Miss Jeanne Eagels plays Lucy White with a good deal of charm and Miss Mollie Pearson is effective as Effie Proctor in the scenes with her rustic lovers. Other characters are adequately, if not brilliantly, portrayed, but Grant Stewart fails to realize the possibilities of Dr. Cosens.

S. W.

"MALVALOCA," translated from the Spanish by Jacob S. Fassett, jr., is one of the most interesting and noteworthy plays yet published in the Drama Series (Doubleday, Page; 75 cents). It is the work of two brothers, Serafín and Joaquín Quintero, who are little known, if at all, to English readers. In naturalness and artistry it is immeasurably superior to the vast majority of contemporaneous dramas. Can a fallen woman, a Magdalen—the victim of environment and circumstance rather than character—be recast as a broken bell and restored to her original purity and sweetness by the white heat of a sincere and passionate devotion? This is the question which it answers in the affirmative. The theme, of course, is one of the most hackneyed in the whole theatrical repertory. But the play differs widely from the mass of pieces dealing with the subject in its complete freedom from sensationalism, pruriency, sickly sentimentalism, or special pleading. It is a simple story—destitute of anything like intrigue or plot, but, nevertheless, essentially dramatic—of the influence exerted by two men, intimate friends, upon the life and character of a woman. The characterization of all three, if not particularly subtle, is eminently human and vital. No psychological convulsions are involved. Salvador, virile, energetic, impressionable, but experienced and selfish, has encountered Malvaloca, a charming, giddy Andalusian girl, made her his mistress, and, when her child was born, deserted her. Then she took other lovers. But when she hears that he has been badly burned, she goes to visit him in hospital, and thus encounters his partner, Leonardo, who soon proclaims her his ideal, although fully informed by Salvador of her antecedents. Infatuated by her beauty and general personality, and thoroughly convinced of her natural goodness and whole-souled affection for himself, he yet fears to link her future with his own, partly through fear of public opinion, partly out of respect to his sister, and partly on account of smouldering jealousy. Meanwhile Malvaloca, freely lamenting past lapses, protests that she has been made anew by the magic of true love, such as she has never known before, and offers lifelong fidelity to the man who has awakened her to the wonder of it. The dramatic interest centres in the gradual development of character under the stress of emotional conflict, and the final solution in which love is triumphant is entirely logical and natural in the prescribed conditions. The happy ending is obtained without suppression of facts or dodging of issues, which is, in these days, an uncommon phenomenon. It raises no presumption that the generous faith of Leonardo may fail of its due reward, but, on the other hand, it by no means proves that his conduct would be a safe precedent to follow in similar cases.

J. R. T.

Graphic Arts at the Royal Academy

THE Royal Academy has atoned for the dulness in the galleries these last few months by giving people interested in art something to talk about during such leisure moments as war and war work may leave them. Its Winter Exhibition of Graphic Art, so unbelievable in the announcement, has opened, and for the first time the Academy admits that art does not begin and end in oil paint nor art societies with the Academy. The Senefelder Club, the Society of Twelve, and the Graver-Printers in Colour are represented on the committee as well as on the walls.

It is such a pleasure to see black and white honored at the Academy that to be critical seems ungrateful. But the first impression the show gives is of the bewilderment of the Academy, amazed by the new task it has undertaken and unused to collaborating with artists from outside. Some limits had to be set—graphic art is an inexhaustible subject—and the Academy's scheme apparently was to show modern work and to keep this entirely British. But place had to be made for a few foreigners too closely identified with British art to be omitted, while for some reason not quite clear it was decided to add a Retrospective Section and also a Victorian. Certainly, these two sections have the effect of being after-thoughts, for they are not hung in the first gallery as prelude or introduction to the modern work, but apart in the two South Rooms, with no pretence at historical sequence. Moreover, the modern work is grouped according to methods. The result suggests less one large exhibition than a number of small exhibitions gathered together under one roof, each so distinct in aims and technique that the critic's or visitor's point of view must be readjusted in passing from room to room.

However, disconnected as the various sections may be, each has its interest. The Retrospective Collection, as the catalogue explains, does not profess to be complete, but only to show some rare and fine prints, in which it succeeds most admirably. It begins with a group of early Italian, German, and French engravings, and it is a delight to see again such beautiful little masterpieces as Mantegna's Risen Christ, Martin Schongauer's Virgin and Child, and the three Dürers. Next comes a smaller series of etchings, Rembrandt surrounded by Callot and Hollar and Van Dyck. And one side of the room is devoted to mezzotints from Prince Rupert's Great Executioner to reproductions of Romney and Raeburn. Mezzotints were the fashion with the collector, the prizes of the salesroom, their titles as familiar as the names of the "Latest Winners" on the race-course. But if the tendency is to overrate their artistic value in deference to fashion, all the same the beauty of the work of such great mezzotinters as James McArdell and Valentine Green is not easily exaggerated, and fine collections have been drawn upon for their treasures. From these prints it is a step to Turner and the Liber Studiorum, of which sixteen splendid proofs are shown, and from Turner it is a jump to Whistler, who, though only his Becquet and Traghetto, Old Hungerford Bridge, and Rotherhithe have a place, towers here over Samuel Palmer and Legros and Haden as Rembrandt towers over the earlier group. But all this work is too well known and forms too small a part of the exhibition to call for detailed description.

There is no connection whatever between the Retrospective Collection and the Victorian Illustrations in the adjoining room. The old engravings and etchings and mezzotints were seldom made for the illustration of books. The drawings of the Sixties and the wood-engravings of them were made for that and nothing else, and it is the men of the Sixties only who are here included as Victorian save, unexpectedly, Abbey, Phil May, and Beardsley, who may have lived within the Victorian period, but who are not exactly Victorian, as usually defined, in their work. "The Golden Age of Illustration," the Sixties have been called, and with good reason: that is, the Sixties in England. Never before or since have English artists taken illustration so seriously, never before have there been such distinguished artists to draw for English books and periodicals. The Academy, had its aim been less historic, would have been obliged to fill another room with the work of the French and German illustrators of the Thirties, and, for that matter, with the work done at home by men like Blake and Bewick and Stothard, of whom the group of the Sixties were the direct descendants. But as the aim was not historic, the opportunity to study their work simply for itself can be rejoiced in, especially as it has rarely been seen to such advantage. The greater number of the examples come from Mr. Harold Hartley's collection, probably the most complete that exists, which, as a matter of fact, was offered to American museums and refused. Here are drawings made for *Good Words* and *Once a Week*, for the now famous and sought after "Dalziel's Bible" and "Moxon's Tennyson," for "The Hunting of the Snark," "Through the Looking-Glass," Jean Ingelow's poems, Trollope's novels. Here, too, are proofs from the wood-engraver with the artist's comments and corrections written on them, eloquent witnesses of the seriousness with which each little illustration was treated before it appeared in the abominably bound gift-books and magazines of the day, though it is uncertain whether these or William Morris's books from the Kelmscott Press will survive the longer.

Historically, the Victorian Section is as distinct in itself as the Retrospective. The relation would be hard to find between the illustrations of the Sixties and the drawings of the present day that fill two galleries. An occasional illustration does appear. Alfred Parsons survives the far-away years when he worked for *Harper's*; Edmund H. New and Frederick L. Griggs are reminders that firms like the Macmillans still issue series of illustrated books; Bernard Partridge recalls the existence of *Punch*, as Ricketts and Shannon recall the *Dial*, made rare not by the passing of the years, but by foresight or intention; Rackham perhaps more than any retains the attitude of the Sixties towards illustration, slightly as he resembles the illustrators in other respects. But he works for process—in his case, color reproduction—as they worked for wood-engraving, knowing that if his drawings are to be reproduced he must adapt his technique to the methods of the engraver. The drawings of these men, however, are scattered among his studies for academic "pictures of the year"; portraits drawn in imitation of Holbein, the vogue for the moment; elaborate landscapes and designs, done, one is tempted to think, with the sole object of sending them to this exhibition; records of the war, the most notable brought back by Muirhead Bone from his official visit to the western front, though he has not succeeded in grasping or suggesting the drama he had there to face.

The etchings are less interesting in themselves than as an object-lesson. They fill the large Third Gallery and the Lecture Hall and are such a weariness to the flesh that they must discourage the most ardent lover of the graphic arts before he has looked at a third of them. Hundreds are hung and only a dozen or so should have been. There are, of course, as exceptions, the mezzotints of Frank Short, who, in copying a painting, can get as much color and decorative value out of his plate as McARDell and Green; the prints of Charles Watson, who, in his rendering of architecture, is always right, and if some of the great American etchers would try to follow him they might learn how weak they are; of Muirhead Bone; of Clifford Addams, and it may be one or two besides; but little enough to note in the great wilderness of frames.

The truth is that etching is an art for the few. The mistake is that the many nowadays are determined to make it their own. The *Nation*, in a recent number, called attention to "the awakening of interest in the graphic arts," and quoted Baudelaire in connection with the new "recognition of progress in etching." When this recognition was created by artists like Whistler and Meryon and Bracquemond and Haden, men who wanted to say something for themselves in etching said it, and did not depend on dealers and collectors to boom them; or when it leads, as it does now, to the opening of a Print Room in the Metropolitan Museum, it is indeed to be welcomed. But when recognition sets the artists to producing work to be recognized, it is another matter, and far too many etchings are produced because it happens to be the fashion. The painter thinks he stoops to etching but does not despise the returns it may make him. In England, the Society of Painter-Etchers is so popular that it numbers more than a hundred members. In America, etching clubs and societies spring up in almost every other town or village. And yet the great etchers of all time can be counted on the fingers of the two hands. I fear it is less love of the art, less desire to express one's self in terms of etching, than belief that etching is a short cut to fortune that inspires this enthusiasm. The dazzling success of Whistlers in the salesroom is noised abroad, and nobody stops to remember that Whistler himself, if he earned the praise of Baudelaire, for years rarely got more than five or ten dollars for a print and was quite content. The increasing prices fetched by Bones and Camerons make them seem more profitable investments than stocks and shares, but neither Bone nor Cameron (who does not condescend to send to the Academy) could have achieved this financial triumph by merit alone. The modern collector makes a business rather than a joy of collecting, and no form of art suffers so much from his patronage as etching, which has been put upon a commercial basis, and the financial question thus introduced leads to the degradation, not the development, of any art. This is the lesson made plain by the etching collection at the Academy.

The dulness is felt the more by contrast with the gayety and freshness of the lithographs. A familiar argument against lithography is that "there is no money in it," but this has been its salvation. The medium, if anything, too popular in the days of Géricault and Devéria, Charlet and Raffet, Gavarni and Daumier, has for some years been despised, looked down upon. Dealers fight shy of it, collectors hesitate—or so we are assured. Lithography has shared least of all the graphic arts in the new awakening of inter-

est. And, as a consequence, none but the artist whose sympathy with the medium is genuine, who uses it because no other will give him quite what he gets out of it, ventures to become a lithographer.

The lithographs are comparatively few at the Academy; they come chiefly from the members of the Senefelder Club. But the few have life in them, vitality, vigor. I do not say that each one is a masterpiece—far from it. But each shows work done for the sake of the possibilities of the greasy pencil, for experiment. The medium is understood and valued and therefore yields variety. There is no monotony. You can get on the one hand impressions of the great Munition Works from Joseph Pennell, the president of the club; on the other hand big poster-like, vivid groups by Spencer Pryse; or the delicate grays and gradations of Charles H. Shannon and Ethel Gabain, the technical adventures of John Copley, the large bold compositions of Miss Hope, the strongly modelled heads of Daniel Veresmitt, the flamboyant ladies of Belleruche, the work characteristic in different ways of Hartrich and Jackson, Becker and Barker; and, in the centre of all these things, arranged as in a shrine apart, four beautiful little Whistlers, one just touched with color like the pale petals of a flower. As a rule, the prints have been exhibited before, so that nothing new is to be said of them, except to point out how well they hold their own not merely in the club's small shows, but in this large caravanserai of black-and-white. Delight in the medium seems to kindle respect for the presentation of it. The lithograph room is hung with as much regard for the decorative whole as for each print selected, and it has the repose, the serenity so essential in an exhibition, but so apt to be ignored by the average hanging committee. Standing there, it is curious to remember that not many years have passed since the Academy rejected, as not worthy to hang upon academic walls, a lithograph sent to its Summer Exhibition.

The color prints seem to suffer from the artist's excess of enthusiasm. He works too hard, is too eager for experiment, too keen to see how many colors his printing will give him. The standard is set by Théodore Roussel, who is the president of these Graver-Painters, and whose prints are as elaborate as water-colors, the final result obtained only after innumerable printings. He has a study of flowers, *L'Agonie des Fleurs* he appropriately calls it, which he shows in its tenth state and for which there must have been twelve or thirteen printings, some say twenty or thirty. It is ingenious, extraordinary, but is it etching? Far better technically are the wood blocks of Morley Fletcher, who contents himself with the few flat tones which are all that should be asked of the wood block. He has done more than any one to create interest in color prints, and he has created and directed it in the right way. The good effect of his teaching can be seen in the birds of Allen W. Seaby, who studied with him. They are as simple and brilliant and decorative as the birds in a Japanese print.

Sculpture, but confined to small models, statuettes, plaques, is also included in the exhibition. The interest, however, centres in the graphic arts, in the meaning of the Academy's new departure, and in the hope it gives of a broader policy for the future. If this most conservative of all institutions can shed its old prejudices, secessions from it will have lost their use.

N. N.

London, January 27

THE PRINCIPLES OF BOND INVESTMENT

By Lawrence Chamberlain

This standard work treats bond investment as an applied science. Numerous bond houses have put it in the hands of their salesmen; many schools of commerce base their investment courses on it.

5th printing, \$5.00 net.

STANDARDS OF HEALTH INSURANCE

By I. M. Rubinow

"An expert discussion."—*The Outlook*. \$1.50 net.

SOCIAL INSURANCE

By I. M. Rubinow

"As a brief for state action, and as a guide to intelligent thinking, this book is most important."

—*Literary Digest*. \$3.50 net.



Henry Holt & Co. 34 W. 33d St. New York

CENTRAL EUROPE

A translation of *Mittel-Europa* by Friedrich Naumann of the German Reichstag

This is generally held to be far and away the greatest book that has come out of the war.

"Friedrich Naumann's book is worthy of close attention. No wonder that it has created a prodigious sensation. It is a masterly piece of work from the author's point of view—explicit, strong, holding facts with a vise-like grasp."—*Felix Adler*.

"The special interest of this book is that it is regarded by the Allies as an authoritative pronouncement of German intentions, and has been made the basis and justification of the resolutions of the Paris Conference."—*The Westminster Gazette*.

Place your order now with your bookseller.

Octavo, 350 pages, \$3.00 Net.

ALFRED A. KNOPF, Publisher
220 West 42d Street New York

Buy the BORZOI BOOKS from your bookseller. He has them. If you want a complete catalog address the publisher.

Now Ready

A Dictionary of Similes

By FRANK J. WILSTACH

This much-needed 529-page book contains over 15,000 similes from all languages under 3,400 subject headings

Price in cloth \$2.50

LITTLE, BROWN & CO., Publishers, Boston

"Mademoiselle Miss"

Published for the benefit of the American Fund for French Wounded

Price 50 Cents

At All Bookstores.

Summary of the News

MARCH 4 inaugurated simultaneously a new term of office for President Wilson and a term—the length or brevity of which no man can forecast—of confusion and distraction for the country. At the moment when President Wilson was taking his oath of office privately in his official room at the Capitol, the Senate, a few feet away, was terminating the last session of the Sixty-fourth Congress in confusion and disorder, after having failed to give effect to the almost unanimous will of its own membership, of the House, and of the country. The Senate's failure to grant to the President the powers to protect American citizens and shipping on the high seas, for which he had asked on February 26, was due to the machinations of a dozen men, headed by Senator La Follette and Senator Stone. Owing to the incapacity of the Senate to limit debate these men were able to carry through a filibuster which prevented the passage not only of the Ship-Defence bill, but also of several measures urgently needed in the present crisis. The gravity of the situation which ensues was set forth in a statement to the public issued by the President on Sunday night, and was emphasized by a supplementary statement given out from the White House at the same time calling attention to the fact that, though the President has constitutional powers to arm merchant ships, certain old statutes have been discovered which "may nullify" those powers.

ABSOLVING themselves of responsibility for failure to pass the Ship-Defence bill, seventy-six Senators signed a manifesto asserting their desire to vote for the measure if the opportunity were given, and this manifesto was read into the record. By diligent pressure Senator Hitchcock also extorted from La Follette and had read into the record the admission that the purpose of the obstructionists was not, as they professed, to insure free discussion, but at any cost to prevent the measure from coming to a vote. Indignant Senators took what consolation they could from the fact that clever handling of the situation by Senator Hitchcock robbed La Follette of the opportunity, eagerly desired, to play out the Sixty-fourth Congress to music of his own making. By comparison with the Senate the House brought its proceedings to a close in a blaze of patriotic glory, having accomplished in time the tasks that it was set to do and passed on March 1, by a vote of 403 to 13, a bill empowering the President to arm merchant ships. The House bill differed slightly from the Senate's in omitting the authorization to use "other instrumentalities."

PRESIDENT WILSON'S formal inauguration took place on Monday with the customary ceremonies. It was thought that his inaugural address might at the last minute be altered to include some review of the situation created by the Senate's failure to act on the Ship-Defence bill. The address, however, contained no reference to the incident which, in his statement to the public, the President had characterized as having "rendered the great Government of the United States

(Continued on next page.)

Hamilton to Washington

March 8, 1917.

DEAR SIR:

Your Excellency's friendly and obliging letter of the 28th ultimo came safely to hand. I thank you for it and for the book with which you accompanied it. It is always a gratification to peruse a work which shows clear thinking, and I am grateful to you for the opportunity to know Mr. Laski's work on "The Problem of Sovereignty."¹

Since you have been so gracious as to share with me your discovery in books, I need offer no apology for writing you of a matter to which I have given much consideration. As a citizen zealous for the true happiness of this country, I cannot but regret that our people read so little of what concerns its welfare.

Relative to the high food prices caused by freight embargoes, our business men show an inertness regarding causes and remedies which I detest. I hold them inexcusable not to have acquainted themselves with the subject from such books as "The Port of Boston,"² wherein they will find set forth plans to forestall such congestion.

Then, too, I am sensible of the need of careful reading to offset much undigested Socialism, which is in part a consequence of the war. I should advocate a careful reading of some of Sumner's Essays:³ "First Steps towards a Millennium" and "War."

I am further persuaded that our leaders of industry should give greater consideration to the rejection of our munitions by foreign purchasers. Let them consider wherefore the operations of mechanics could have been so unsuccessful in a country which has excelled all others in contribution to the tools of industry. When I read of our pioneer tool-builders,⁴ I cannot but feel that we should do all in our power to continue to work in the same spirit. To that end I should commend Gantt's "Industrial Leadership"⁵ and Hapgood's "Industry and Progress,"⁶ not alone to the masters of industry, but to the artisans themselves.

The question is, how to get people to read such books, and I have wondered whether you could not effect some method of interesting our citizens in useful reading. I am advised that Mr. Roosevelt's spontaneous letter in regard to the essay Culbertson wrote⁷ caused it to be more widely known, and your word would be of far greater import.

Mrs. Hamilton joins in respectful compliments to Mrs. Washington.

I remain, with great respect and esteem,

Your Excellency's obedient servant,

A. HAMILTON.

To His Excellency General Washington.

¹STUDIES IN THE PROBLEM OF SOVEREIGNTY. By HAROLD J. LASKI. \$2.50 net, postpaid.

²THE PORT OF BOSTON. By EDWIN J. CLAPP. 23 diagrams. \$2.50 net, postpaid.

³ESSAYS OF WILLIAM GRAHAM SUMNER. Edited by ALBERT GALLOWAY KELLER. 3 volumes. \$2.25 net per volume, postpaid.

⁴ENGLISH AND AMERICAN TOOL BUILDERS. By JOSEPH WICKHAM ROE. 58 illustrations. \$3.00 net, postpaid.

⁵INDUSTRIAL LEADERSHIP. By H. L. GANTT. (Second printing.) 9 charts. \$1.00 net, postpaid.

⁶INDUSTRY AND PROGRESS. By NORMAN HAPGOOD. \$1.25 net, postpaid.

⁷ALEXANDER HAMILTON. By WILLIAM S. CULBERTSON. (Second printing.) \$1.00 net, postpaid.

YALE UNIVERSITY PRESS
209 Elm Street New Haven, Conn. 280 Madison Avenue New York City

(Continued from preceding page.)

helpless and contemptible." So far as present policy is concerned, the President stated that "we stand firm in armed neutrality," but warned the country that "we may even be drawn on, by circumstances, not by our own purpose or desire, to a more active assertion of our rights as we see them and a more immediate association with the great struggle itself." As regards the peace that is to be made and America's interest in it, President Wilson rehearsed seven categorical principles, which were in the main a summary and reiteration of those expounded in his address to the Senate on January 22.

THE unsatisfactory end of Congress came as the climax to a week of exciting events. The sinking of the *Laconia*, news of which was received as the President was on his way to the Capitol to ask the powers which the Senate has now refused him, was regarded, it became known, as the long-awaited "overt act," but the significance of this was completely overshadowed by the revelation on March 1, nominally through the Associated Press, but actually, as is universally admitted, inspired by President Wilson himself as a spur to Congress, of the intrigues of Germany with Mexico and Japan. The Associated Press published the full text of instructions from the German Foreign Minister, Zimmermann, to the German Minister in Mexico, von Eckhardt, forwarded through Count von Bernstorff. The communication, it is instructive to note, was dated January 19. In it von Eckhardt was ordered, "as soon as it is certain that there will be an outbreak of war with the United States," to propose an alliance with Mexico, Germany giving "general financial support" and Mexico receiving in return permission from the Kaiser to reconquer "the lost territory in New Mexico, Texas, and Arizona." Mexico was also to gain the adherence of Japan to the precious scheme.

HOW this priceless document came into the hands of the Administration has not been revealed. The President's assurance in reply to a request from the Senate put its authenticity beyond doubt, except for certain pro-German elements in the country who seized delightedly upon the explanation of a "British forgery." Their satisfaction was short-lived, for the accuracy of the information was admitted and Germany's course defended in a statement by Dr. Zimmermann to the Overseas News Agency on March 3. Dr. Zimmermann's statement is interesting and characteristic, his defence being that the United States had really plotted against Germany, having last year suggested common action against Germany to the other American republics! Thus once again Germany enjoys the position of injured innocence. So far as can be ascertained the proposal was never actually put before Carranza. The official repudiation of any part in or knowledge of the business by the Japanese Government was welcome as an act of courtesy, but was not required.

CHANCELLOR VON BETHMANN-HOLLWEG'S speech before the Reichstag on February 27 is the subject of comment in our editorial columns. It is interesting to note here that the Chancellor's almost tearful protestations about

the honored friendship of the United States, "an heirloom from Frederick the Great," so heartlessly broken by that country and on so small provocation, were made at a time when Dr. Zimmermann's ingenious proposal to Mexico and Japan was already in the President's hands.

INTERCHANGE of communications on the question of the Yarrowdale prisoners in Germany has finally elicited the fact that four, who were treated as officers, have already crossed the frontier into Denmark. The rest were nominally freed on February 16, but, according to the German statement, have been detained in quarantine on account of infectious disease having broken out in the camp where they were interned. Their release, probably this week, was promised in a note handed to the State Department by Dr. Ritter on March 2.

NO outstanding incidents in the submarine warfare have been reported since we wrote last week, although Americans were on board the *Galgorm Castle*, which was listed as sunk on March 1. British and French official announcements of losses will in future, it is stated, only be made weekly. The total tonnage sunk during February is estimated at 490,000. Satisfaction to Holland for her fleet of seven vessels torpedoed at one time, as we recorded last week, is apparently to be denied, Germany having withdrawn the offer she was understood to have made to replace them for the duration of the war with German vessels interned in Dutch ports.

BRITISH forces on the Ancre have continued to push forward along the line of the German retirement. Apparently the first stage of the retirement came to an end last week, when there was a notable stiffening of German resistance, especially to the south of Bapaume. That the Germans intend seriously to hold approximately their present line appears, however, improbable, as the official announcements at the beginning of the week indicate that the British continue to make steady progress, though in the face of more determined opposition. The retreat of the Turks from Kut is described in dispatches as having developed into a rout. The British have kept in constant touch with the retreating forces and by the time these lines appear will probably be approaching Ctesiphon. From present indications the capture of Bagdad should present no insuperable difficulties. British success on the Tigris has apparently galvanized into activity the long dormant Russian forces in Persia. Dispatches of March 3 recorded the capture by these forces of Hamadan.

CHINA'S adhesion to the Entente may apparently be expected shortly, although as we write there appears to be a clash of opinion between the President and his Cabinet. Dispatches from Peking of March 4 stated that the Cabinet had voted unanimously for breaking off diplomatic relations with Germany, but that the President had refused to approve the action on the ground that such power rested entirely with him, whereupon the Premier and some of his colleagues resigned. An official statement issued by the President explains that the difference was a personal one rather than one due to foreign policy.

THE MORALS OF MONOPOLY AND COMPETITION

By HOMER B. REED, Ph.D.

An extended investigation into the business methods of large corporations from a moral, legal and sociological standpoint. A book of great value to all interested in modern industrial and legal problems. *Cloth, 143 pages, \$1.25 net*
GEORGE BANTA PUBLISHING COMPANY
MENASHA, WISCONSIN

LIPPINCOTT'S TRAINING SERIES

"For those who want to find themselves." Just the books to recommend to young men and women who are entering the different professions. Volumes now ready on THE NEWS-PAPER TRADE by Don C. Seitz, N. Y. World; THE STAGE by Arthur Hornblow, Ed. Theatre Magazine; FORESTRY by Gifford Pinchot; LIFE INSURANCE by Warren M. Horner of the Provident Life and Trust. Others in preparation. Each illustrated. \$1.25 net. Write for descriptive circulars.

J. B. LIPPINCOTT CO. Philadelphia

UNIVERSITY OF CALIFORNIA

Lists of Publications in sciences, philosophy, philology, history, economics, will be sent upon request.

The University of California Press
BERKELEY, CAL.

HALÉVY'S L'ABBÉ CONSTANTIN

New illustrated edition

Completely reset, with various additions and changes in the notes and vocabulary. The new edition of this popular story is furnished with direct-method exercises and has a number of attractive illustrations.

Cloth, 224 pages, Illustrated, 45 cents.

D. C. HEATH & CO., Boston, New York, Chicago

WHY MEN FIGHT

By Bertrand Russell

Herein the famous English philosopher searches out the deep-lying causes of war in human nature, and sets forth with passionate simplicity a remedial mode of thinking and living. *Price, \$1.50.*

Published by THE CENTURY CO., New York

CARBONA

Cleaning Fluid

Better than dangerous Benzine, Naphtha or Gasoline for all Cleaning purposes

Cannot burn or explode

15¢ 25¢ 50¢ & \$1.00 All Druggists

BINDER FOR THE NATION

To receive the current number in a convenient (temporary) form. Substantially made, bound in cloth, with THE NATION stamped on the side in gold. Holds about one volume. Papers easily and neatly adjusted. Sent, postpaid, on receipt of 75 cents. Address The Nation, 20 Vesey Street, New York City.

The NATION is a member of the Audit Bureau of Circulations, which regularly audits and attests all figures given.

A.B.C.

Books on Finance and Economics

WHY MUST AMERICA GIVE CREDIT TO EUROPE AT THIS TIME? WHY DOES STERLING VARY IN VALUE? WHY WILL "DOLLAR EXCHANGE" BE THE WORLD'S STANDARD?

You can get the answer to these and all your other perplexities about foreign exchange and the world's money market in the remarkable books written by **HARTLEY WITHERS**, the financial expert of the *London Times*, who is about the only writer on the subject who can make these things easy to understand and at the same time pleasant to read.

INTERNATIONAL FINANCE

A clear, simple, and thorough description of the machinery and methods of money-dealing between countries. How Foreign Loans are floated; the connection of Finance with Foreign Trade, Diplomacy, and War; the good influences and the bad which International Finance exercises; the relation of Finance to Nationalism. Net \$1.25

THE MEANING OF MONEY

Explains the whole mechanism of banking. A clear and attractively written account of the common, but little understood, facts of banking and exchange. If any one wants to understand the methods of banking and the laws governing currency, the rate of exchange, etc., Mr. Withers's book will afford as good an introduction to the subject as can be obtained.

Net \$1.50

THE WAR AND LOMBARD STREET

A description and explanation of the effect of the first weeks of war on the London and other international money markets. Net \$1.25

STOCKS AND SHARES

An inside view of the European Stock Market with every operation in the handling of securities described in detail. Net \$2.00

POVERTY AND WASTE

A study of the close connection between stringency and recklessness. Net \$1.25

MONEY CHANGING

Deals with Foreign Exchange and Credits. The *London Financial News*, in a three-page review, says: "Mr. Withers makes the topic interesting in spite of all its obvious and irrepressible technicality. Occasionally he renders it really amusing." Net \$1.75

LOMBARD STREET By WALTER BAGEHOT

A new edition with an Introduction by Hartley Withers, which brings this celebrated work up to date.

The *London Financial Times* says: "This well-known work represents a standard manual of the Money Market, and the new edition, brought up to date, will be appreciated by those who have derived help from the earlier editions." Net \$1.25

AGRICULTURE AFTER THE WAR

By A. D. HALL, F.R.S.

In this book the author, who is one of the Development Commissioners and was a member of the Committee on Food Production presided over by Lord Milner, discusses the position of British agriculture after the war from the national standpoint. He argues that we have been taught the necessity of preparedness for war, socially and economically, as well as on the naval and military sides. A policy is outlined both to provide immediate employment and eventually to secure such a production of food at home as will render the country secure in time of war. The probable cost and results of the policy are estimated. Net \$1.25

FOOD VALUES

What They Are and How to Calculate Them

By MARGARET McKILLOP

The *New York Evening Post* says: "For use of those who wish to undertake seriously the consideration of food values and the problems involved in their investigations. This purpose is carefully worked out in detail." Net \$0.60

The ECONOMIC HISTORY of INDIA

By ROMESH DUTT Two Volumes. Each, Net \$2.50
Volume 1, from the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837. Volume 2, from the Accession of Queen Victoria in 1837 to the commencement of the Twentieth Century.

HOLDERS OF RAILROAD BONDS AND NOTES

Their Rights and Remedies By LOUIS HEFT, of the New York Bar

Philadelphia North American says: "A timely and useful manual for investors and students of economics. . . . The author makes a thorough exposition of the subject . . . conveys much useful information, tending to a better understanding of railroad securities." The *Financial America* says: "Mr. Heft's volume is not one which will be bought to be laid aside on the shelf, and taken down only on frequent occasions. To the railroad investor it will prove a useful and an entertaining companion; to the man who desires to understand what railroad bonds mean and represent, and what the holding of them involves, this book will be invaluable." Net \$2.00

POSTAGE EXTRA. AT ALL BOOKSTORES

E. P. DUTTON & COMPANY, 681 FIFTH AVENUE, NEW YORK

In Case of Actual War

THE experience of many past generations, and certainly not least the world's experience in 1914, teaches that the action of financial markets, when a war is impending, is of high significance. For this reason the composure and firmness of the New York stock market, ever since its brief decline on the announcement of Germany's new submarine policy, has been a source of much perplexity. During the four weeks which ensued, prices on the Stock Exchange moved with some irregularity; there were slow declines and slow recoveries. But at no time, after the rupture of relations with Germany on February 3, was there any evidence of agitation. The market advanced after the House vote of 403 to 13 for the Armed Ship bill. It held an even course during last week's sensational proceedings in the Senate. When Congress had adjourned *sine die* and the Armed Ship bill had definitely failed, prices remained as steady as before.

On all sides, it was asked why the Stock Exchange, with war an easy possibility, should have moved so calmly and deliberately instead of indulging in a violent break of prices. Some people answered that the stock market must believe that peace would be maintained; others, and probably the majority, that we have been in a virtual state of war ever since Germany announced her proposed attack upon our merchant ships last January. But if so, why had the market recovered so rapidly after the two-day February reaction? If the Stock Exchange is contemplating a formal state of war, and is doing so without evidence of financial apprehension, what is to be inferred? Certainly not that financial opinion welcomes war for its own sake. There have been occasions in history when the financial community helped push a government into war because the existing economic situation was so bad that war seemed incapable of making it worse, and might for the moment better it. This was apparently the state of things in Austria when that unhappy Government by its aggressive attitude towards Servia provoked this war. It is certainly not the present condition in America.

Our own markets have from the first been perfectly aware that continuance of peace and neutrality for the United States was the road to immediate financial advantage. They were equally aware, as has been shown by their attitude towards our Government's patience and forbearance in its dealings with Berlin and by their earlier action when Germany herself began to break the peace, of the grave problems which would arise if the United States were to join in the conflict. That the present situation should be accepted with such seeming equanimity on the part of our financial markets, in the face of existing possibilities, requires a very different explanation.

There are only three reasonably convincing explanations of that attitude—the fact that a breach with Germany had been all along considered probable, and had, therefore, in a financial way, been abundantly prepared for; that maintenance of our country's fundamental rights, even in the

face of an international crisis, was deemed more essential to future American prosperity even than continuance of the profits of neutrality, and that, whatever unpleasant consequences might arise in our home affairs, as a result of a state of war, the final rupture with Germany—under such circumstances as are presented by our embargoed commerce and by the Berlin Government's machinations in Mexico—is believed to guarantee our national safety rather than expose us to national peril.

There is one close and interesting precedent for the past month's attitude of the Stock Exchange, and it has considerable bearing on the existing situation. In January, 1898, when the Maine was sent to Havana harbor, even the New York stock market was extremely strong. A letter from the Spanish Minister at Washington was intercepted. That letter spoke of President McKinley as a "vacillating and time-serving politician," and ridiculed the display of good feeling towards America by the Spanish Government. The letter was published during February; it made a sensation somewhat like the stupid letter of Zimmermann to Mexico. On the very day when the Madrid authorities disavowed it, the battleship Maine was blown up in Havana harbor, with a loss of 266 men.

The Spanish Government, which had at the time a touch of German diplomatic stupidity about it, insisted that our Consul-General at Havana should be recalled, then withdrew the demand when it found that it was offensive. On the day of that demand, March 7, a \$50,000,000 national defence appropriation, to be used in the discretion of the President, was decreed by 311 votes in the House and 76 in the Senate, not a single negative vote being cast. In the earlier stages of this chapter of events, the stock market first broke heavily, then recovered 3 to 10 per cent. McKinley's war message was delayed from April 6 to April 11, to enable Consul-General Lee and the American residents to get out of Cuba, the war resolutions were agreed to by House and Senate on the 20th by a vote of 310 to 6 in the one chamber and of 42 to 35 in the other.

But the most striking part of the financial precedent remains to be described. During the first three weeks of April, the stock market acted exactly as it has acted this year since February 3. It was extremely dull, with a slow and gradual reaction. It touched low level on April 21, the morning after the war vote in Congress. Then, for a day or two, it ceased to move. At the expiration of that time, an enterprising group of financiers, reasoning that if the market would not fall in the face of war, it must be because of an investing power waiting to buy at lower prices, started to bid prices up. With that, the real recovery of the market began; it lasted throughout the duration of the war.

Precedents of this sort are never absolute. But it is interesting to recall that, after the Spanish war was over, every one recognized that the Stock Exchange's firmness at its outbreak was testimony, first, to belief that the war would not be disastrous to this country, and next, to assurance that our economic condition was too strong for even war to shake it.

The Financial and Economic Situation in Italy

By HOMER EDMISTON

Former Secretary of the American Chamber of Commerce for Italy in Milan

WHEN the European war broke out in August, 1914, the efforts of Italian statesmen and financiers were bent upon recovery from the effects of the war with Turkey and the Libyan colonial enterprise. The charges for these were for the most part covered by the issue of 4 per cent. Treasury bonds which were easily absorbed in the Italian market. It should be observed that a characteristic of the Italian investor is his preference for the national funded debt, which in general makes it possible to issue Government bonds at a lower rate than the financial strength of the country would seem to warrant.

In January, 1915, a national loan, destined to finish the liquidation of the Libyan war debt and to complete the preparations for the war which Italy was soon to declare against Austria, was issued with notable success at $4\frac{1}{2}$ per cent. interest and 3 per cent. below par. The declaration of war in May, 1915, made no perceptible change in the financial situation. As soon as it became known that there would not be another moratorium, fear of which had sent large sums into the safe deposit vaults, money again flowed into the banks. Another national loan, issued in July, 1915, at 5 per cent. below par (7 per cent. to holders of the previous issue), and bearing interest at $4\frac{1}{2}$ per cent., scored a brilliant success with a subscription of no less than a billion one hundred and seventeen million five hundred thousand lire. By the end of September of the same year the $3\frac{1}{2}$ Government consols had risen from 80 to 84 per cent., and, leaving aside the special war issues, the greater part of the bonds on the market showed, and still show, a very perceptible increase in activity. In January, 1916, a third loan, at 97.50 and bearing 5 per cent. interest, but with privilege of conversion only to holders of Treasury notes, was also successfully launched. Finally, on the 5th of the present month of February subscriptions were opened for a consolidated loan at 90, with interest at 5 per cent. This is intended to consolidate all previous war issues and also the short-term Treasury notes. As an extra inducement, subscribers to this issue are to receive all the privileges of future loans that may be put forth on better terms during the war, and the present bonds are inconvertible until December 31, 1931. It is reported on trustworthy authority that at the present writing, nine days after the opening of the subscription, one billion two hundred million lire, not including conversions, have been realized. If we remember that in the year 1914 available savings absorbed a billion and a half lire of 4 per cent. bonds, we have striking evidence of the great increase in the wealth of the Italian people during the past decade.

It should be added that, in spite of the enormous sums absorbed by the war loans, the banks have an abundance of cash on hand, largely on account of the lack of commercial paper for discount, and this condition is due in turn to the demand, begun of course by foreign houses, for pay-

ments in advance or against documents. There is, in consequence, an active dealing in the short-term Treasury notes, which the banks are ready to discount freely for their customers.

The only serious difficulty that Italian trade now feels, apart from the dislocations of commerce and industry that are inseparable from war, is due to the very unfavorable rates for foreign exchange, and to the ruinous cost of marine transportation. Freight from New York has been quoted for this month at four dollars per hundredweight, and on the day on which I write (February 14) dollar exchange has reached the unprecedented height of 7.305. It is needless to dwell on the reasons for ocean freight rates. But as to foreign exchange it should be noted that Italy is more unfavorably situated than any of her principal allies. She is not a gold-producing country like England, she has no large holdings of foreign securities like England and France, and she is not, like Russia, independent of other countries for the necessities of life. In time of peace she depended largely on the tourist traffic and on the money which her emigrants sent home, estimated at five hundred million lire a year, and on her exports of wine and food products, to preserve the balance of exchange. But the tourist traffic is a thing of the past and future, emigrants have been called back to the colors and no longer go abroad, while the exportation of food is forbidden for as long as the war shall last.

That Italy will be a changed country after the war cannot be doubted. She will, in the first place, be a more industrial country. The munition factories that have sprung up everywhere, in the agricultural and pastoral South as well as in the industrial North, have been purposely equipped in such wise that they can readily be turned to the arts of peace. Though lacking in coal, she is the richest country in Europe in water power. Only a small part of this has been developed, but native and foreign enterprise is looking eagerly ahead to the utilization of what remains. With her superabundant population and comparatively slight losses in the war, Italy will also be strong in man power. In spite of the depletions of war, in spite also of the new American immigration law, her sons will again go forth where strong and willing hands are needed and send their savings back. But for the more intelligent and enterprising there will be an increasing demand at home.

Few, I suppose, will doubt that the war will leave Italy mistress of the Adriatic, and this will mean, as in the time of the Venetian Republic, that in the development of the Near East that must come with the cessation of Austrian and Turkish misrule, she will be the mediator between East and West. There are hopeful signs that Americans are coming to appreciate the opportunities their capital and enterprise will have in a greater and completely united Italy. Since the war began an American Chamber of Commerce has been organized with headquarters in Milan, with numerous members in every part of the country, and with an increasing recognition and membership in the United States. And with the opening in Genoa of the Italian branch of the National City Bank of New York, one of our most powerful financial institutions has given welcome and substantial proof of its belief in the future of Italo-American trade.

Genoa, February 14

England's Economic Outlook

By HARTLEY WITHERS, Editor of the London *Economist*

SO vast are the economic effects of such a war as the one which is now convulsing Europe, that they enable us to trace movements with an ease and certainty that it is not possible to attain in time of peace; in peace there are so many financial and industrial cross-currents that their influences are blurred and confused. Now war puts man's activities under a gigantic magnifying glass. When the producing and consuming power of a nation is as profoundly affected as is that of England by this struggle, the observant inquirer cannot fail to be helped to arrive at certain conclusions, though the capacity of human judgment to err may make us cautious in accepting them.

Devastating war, on a scale that would have hardly been thought possible ten years ago, combined with a real improvement in the standard of comfort of a great majority of the population, is an economic paradox that compels one to grope for a solution. It is so incredible and yet it is, in England, a plain fact. Unemployment figures, pauperism figures, figures of the free meals given at schools to the children of the necessitous poor, all show that, in spite of the great rise in prices, the working classes in England are, as a whole, definitely better off since the war began. We are told that this prosperity is artificial, because it is based on the lavish spending of borrowed money. Whether that be so or no, which point will be discussed later, the prosperity is not artificial in so far as it affects those who are chiefly concerned, namely, those who are enjoying it. To them it is real, for they are getting the stuff—being better fed and better clothed and adding to their capital in the shape of better furniture, to say nothing of their purchases—the extent of which has probably been much exaggerated—of pianos, fur coats, and jewelry. It is no delusion for them, produced by a combination of high wages and high prices, which makes them think they are better off without actually being so. Prices are higher, of course, but wages, expressed in the total earnings of the working-class family, have risen still more because many more members of the family are working and they are working harder and more regularly.

Here perhaps we begin to see one of the facts that explains the paradox. England is able to sustain this devastating war and provide a large part of her population with a better share of the world's goods because she is working harder than she ever worked before, and at the same time concentrating her energy more than ever before on the things that matter—first the war, then the necessities and solidities that help to improve the standard of life. Plenty of labor and energy is still being wasted on frivolities and luxuries and vulgarities, but very much less than was so wasted before the war. It is natural for people to be shocked when they see the extravagance still rife in London's restaurants; but they too often forget that, owing to diminished household staffs, nearly all the entertaining that is done in London is now done at the restaurants, and so shows. And this is so all round. When people economize, there is nothing to advertise the fact. When they waste their money, they probably do so more or less in public and so we hear all about it. A great deal of com-

pulsory economy has been enforced on the rich in England by the loss, first by recruiting and now by conscription, of their male servants of military age. Hunting, yachting, shooting, horse-racing, golfing, motoring—all requiring in a greater or less degree the services of robust manhood—have been more or less shut down. And on these amusements England must have spent hundreds of millions sterling before the war. Much of the labor and energy that went into them is now available for war work or for producing necessities. And when we add all that went into Continental holidays, winter sports in Switzerland, all the extravagances of the London season and the long "week-ends" that were becoming a feature of English life, it begins to be more easily seen how England, which has given up so many fripperies and is working so much harder on realities, is able to find the stuff for the war and at the same time to raise the standard of life of a class for which an improvement in this respect had long been overdue.

Now let us get back to the very interesting question of artificial prosperity alleged to be produced by the lavish expenditure of borrowed money. Is it possible for a country to produce even an appearance of prosperity by borrowing money and spending it lavishly? It can be done certainly when the borrowing is done abroad, so that a flood of goods is poured in against which only promises to pay are exported, and so, for the time being, the country is artificially enriched because it is enjoying a temporary increase in the supply of goods for its satisfaction. But this does not happen when a country borrows at home. Then it hires purchasing power from certain of its citizens and hands it over to others of them from whom it is buying goods and services. There is a shifting of buying power, but there is no increase, artificial or other, in the total of commodities that the community is able to enjoy. That, so long as a country borrows at home, can only be produced by greater energy in output or by improvements in organization which have the same effect as greater energy. But, I shall be reminded, England has borrowed shiploads of money abroad. True, but I venture to think that we may leave the fact out in considering the economic paradox of her war prosperity, because, much as England has borrowed abroad and much as she has raised abroad by selling securities, she has lent to her allies and colonies, I believe, at least as much, though we do not know what the actual figure is on either side of this account. It is also true that when a country borrows, inflation generally follows because the credit machine gets to work and manufactures money or claims for goods faster than goods are being produced; but hence comes merely a rise in prices that penalizes the poor and cannot improve their standard of comfort.

We seem then to arrive at the conclusion that England's economic paradox is not a paradox at all, but a platitude. She has created and equipped an army on a Continental scale and at the same time given a better lot to millions of her workers by the exercise of the good old copybook virtues of hard work and thrift. Her workers have worked harder and more steadily, millions of women, boys and girls, and old men are working who did not work before,

her industry is better organized, vast quantities of new machinery have been made and imported, and much of her frivolous expenditure has been curtailed. The fact that there is still, even now, much extravagance and waste in England, due to thoughtlessness and a lamentable lack of economic education, only shows that there is still a big margin for even greater efforts if the war demands them.

It must not be supposed, however, that the whole of England's war effort has been brought about by the satisfactory means detailed above—harder work and a reduction of unnecessary consumption. That would be much too optimistic a conclusion. There has also been a great deal of hardship among those members of the working classes whose wages have not advanced as fast as the rise in prices, and among the lower middle class and among members of certain professions and in the case of people living on small fixed incomes. In these cases genuine privation has been severely felt. The margin of productive power that England found to be in her hands, when she really set about hard work, was great enough to do marvels, but did not suffice to keep the wolf from all the doors.

As to the financial staying power of England, however long the war may last, there thus seems to be no doubt, especially if the rupture by the United States of diplomatic relations with Germany makes easier the task of financing the needs of the Allies in America. As to what may happen after the war, it is interesting to try to forecast the re-

actions on England's industrial power of the lessons that she has learned during the war. Will the same hard work and the continued abstinence from unnecessary consumption make her output after war as great as it was during its course—shall we be able to add to her present industrial effort all the energy that she is now putting into war work? This is not likely or even desirable. Most people in England who are working seriously are now working too hard, and to continue under the same strain when the incentive of war is over would be impossible in the first place and short-sighted in the second. But I think there is no doubt that much of the "speeding up" that war has effected will stay, and also that it will be long before the old level of extravagant expenditure will return. If this be so, then England's output will be greatly increased, and if only the problem can be solved of the more equitable distribution of this greater output, she will be able to take a great step forward along the path of economic civilization, maintaining the improvement in the standard of comfort of her working classes and giving them a better share of the education and knowledge and appreciation of beauty, which constitute man's claim to be a civilized animal. All will depend on the relations between capital and labor, and on this momentous and all-embracing question it can only be said that the indications are full of doubt, but hopeful on the whole.

Germany's Financial Difficulties

By FREDERIC J. WHITING

GERMANY'S great mistake three years ago was in miscalculating the time element. Her scheme for financing war was no doubt admirable for a conflict of three or six months, but quite the reverse of admirable for one of three years. Of this she must now be fully convinced. Indications, indeed, point to the fact that the post-bellum finances have become a nightmare to the German mind. The views of many of the economic writers of the Fatherland are gloomy to the last degree. Late in 1916, for example, the *Allgemeine Rundschau* printed an article declaring that after the war Germany would have to raise an annual revenue of at least \$3,250,000,000, or one-third of the \$9,750,000,000 at which the writer estimates the annual taxable income of the country. Another German publication questions this estimate, and implies that if the war lasts until April, 1917, the taxation needed will be nearer \$4,000,000,000.

These figures, which must be taken for what they are, are cited merely because they lend color to the view held by many experienced financiers on this side of the Atlantic that Germany's financial outlook is desperate. German finance has always been enigmatical, and in estimating the present situation allowance must be made for factors not accessible to the outside world and possibly not to many of the Germans themselves during the last three years. But when everything is said, it is reasonable to infer that Germany will emerge from the war in much worse shape than any of the nations now opposed to her—that is, assuming that she does not win a decisive victory and obtain a heavy indemnity.

It would be interesting to learn just what Germany's financial condition was when she went into the war. There is some reason for supposing that the underlying facts were far from agreeable. Conjecture, indeed, had been rife among the other nations regarding her finance ever since 1911. In that year the economic situation in the Empire came near to a complete collapse, and in a manner to make many persons ask if a genuine calamity could be postponed many years. The economic revelations attending the Agadir episode were highly significant. Germany's diplomacy counted for much in the Moroccan settlement, but it was more than offset by the shrewdness of the Paris bankers when they called their German loans.

It has never been clearly known what that meant, but it was obvious that it was a staggering blow to the Fatherland. Germany had never sought the Paris market to any extent in placing her long-time loans, but she had been in the habit of obtaining a great deal of her short-time money in that quarter. That is, great amounts of French money had habitually been placed with the bankers and bill brokers of the Empire for stock-market and mercantile purposes. While no precise information was ever obtainable regarding the amount of capital so employed, it was believed that, on an average, it did not fall short of \$125,000,000. Obviously, the abrupt withdrawal of such a sum as this was bound to create consternation in Berlin. September, 1911, was an anxious period. Securities declined in a way that suggested the fateful year 1900. Germany, however, escaped, apparently by the skin of her teeth, a crash similar to that of eleven years before. Yet the feeling from 1911 to the

summer of 1914 bore a quite strong resemblance to that in this country after the first recovery from our panic of 1907, say, from 1909 on. After the huge military credits were voted in the summer of 1913 apprehension deepened, and in the first half of 1914 the financial and industrial situation in the Fatherland was far from cheerful.

The fact that the German financial interests and the German people as a whole have poured out their means so liberally for the furtherance of the present war should not obliterate the fact that in the early part of 1914 the thought of war was calculated to make the German financial mind shudder. Since then there have been almost three years of war, necessitating five loans, the total subscriptions to which have amounted to about \$11,800,000,000, and if to this sum we add the floating debt which has been contracted for war purposes, we shall have a total of over \$15,000,000,000. This is the way the situation stood on December 31, 1916. Since then it has been reported that the Reichstag has voted an additional war credit of 15,000,000,000 marks, or about \$3,750,000,000. The five 5 per cent. loans already placed were put out at 97½, 98½, 99, 98½, and 98, respectively. The fact that Germany could float five such enormous loans in succession without raising the price might seem to imply a wonderfully strong financial situation. The means which she employed were, however, peculiar.

The method was frankly described in the *Kölnische Zeitung* of September 2, 1915, as follows:

"It is not necessary that one should have actual gold or silver, and any one possessing anything can participate whether he has ready cash or not. If you have money in the bank, simply withdraw it for the purpose of subscribing. . . . If you hold securities, you will find it easier still to raise money. It is not necessary to sell them; you simply borrow money against them at any 'Reichsbank-Darlehnskasse,' or at any large bank, and as you will receive almost as much interest on the war-loan stock, or even more interest than you pay to the lending bank, you will be nothing out of pocket. You must, however, hand over to the bank the securities against which the money is advanced to you, and the bank will retain them until the loan is repaid. . . . If you have already subscribed to the first or second war loan, and paid in full for the same, you can at once participate in the present issue. All you need to do is to take your stock—or, if you have not yet received the stock, the receipt for the amount paid—to a bank, which will advance you 75 per cent. of the nominal value, so that if you have M. 400 of the old war loan you can subscribe M. 300 in the new issue without paying a single pfennig. You can even subscribe four times this amount, i. e., M. 1,200, if you also leave with the bank the stock that you take in the new loan, in which case you will have given the bank as security M. 400 of the old war loan and M. 1,200 of the new war loan, together M. 1,600, against a loan of M. 1,200."

With these remarks in mind we are able to appreciate Mr. Louis Raemaekers's cartoon of German Michael, who is in the act of saying: "I got a receipt of M. 100, I gave this for a second M. 100 and I received a second receipt, for the third loan I gave the second receipt. Have I invested M. 300 and has the Government got M. 300, or have both of us got nothing?"

A few months after the beginning of the war Dr. Karl Helfferich, the German Finance Minister, stated in the Reichstag that the Empire would make no attempt to meet

Banking Service

develops improvements as they are demanded by business requirements. This bank constantly aims to meet the requirements of its customers, in a manner consistent with right banking principles.

Established 1810

THE MECHANICS & METALS NATIONAL BANK

OF THE CITY OF NEW YORK

the cost of the war through new taxes. He declared that the Government did not desire to increase by taxation "the heavy burden which war casts on our people." This policy, so different from that pursued by Great Britain, was at variance with all precedent. Had the war proved of short duration or were it to end with a huge indemnity for the Central Powers, this policy might perhaps be considered justifiable. But in the light of to-day it seems merely suicidal. The Imperial Government has at last, apparently, begun to see the folly of its course, for on February 23, 1917, the Finance Minister presented a budget in which he announced not only a new war credit of \$3,755,000,000, but also an increase of about 20 per cent. in taxation. Yet this new taxation is not for the purpose of paying interest on the war debt—that will still be paid with borrowed money.

It can easily be surmised what some of the post-bellum conditions will be. In addition to paying the interest, to say nothing of the principal, on her debt Germany will at the close of the war find herself confronted with the herculean task of straightening out her currency. The obvious facts in this connection are, briefly, these: Just before the war Germany had in circulation about \$500,000,000 of notes, of which about \$470,000,000 were Reichsbank notes. On December 31, 1916, the outstanding issues amounted to about \$2,955,000,000, of which about \$2,015,000,000 were Reichsbank notes, about \$850,000,000 Darlehnskassen notes, and about \$90,000,000 Reichskassenscheine. Before the war it had been the practice of the Reichsbank to keep a minimum reserve of 33 1-3 per cent. in gold against its notes in circulation. On December 30, 1916, however, the reserve

was 31.3 per cent., and this despite the fact that between July 23, 1914, and December 31, 1916, the Reichsbank had increased its holdings of gold from about \$348,000,000 to about \$630,000,000. But, of course, the Reichsbank's gold must properly be regarded as a reserve on the bank's deposits as well as on its circulating notes. At the end of last December these deposits were about \$1,140,000,000. Briefly, the bank at that time had a gold reserve of 19.9 per cent. on its combined circulation and deposits, against a reserve of 47.8 per cent. on July 23, 1914. In treating this aspect of the situation we must not leave out of account the \$850,000,000 of Darlehnskassen notes outstanding at the end of 1916, against which no gold is held.

It goes without saying that every ounce of gold now held by the Reichsbank is needed as reserve against the bank's notes and deposits. In fact, the supply is inadequate to a proper cover for the notes alone. Yet Germany will need a very large amount over and above the present supply in order to recover her foreign markets, an end for which she must strive in order to provide her people with the means of paying the huge taxes which will be imposed on them in the future. Her case is very different from that of Great Britain, which is still a creditor nation, and can by reason of that fact continue to attract gold to London, to say nothing of the further and very important fact that Great Britain can commandeer, as she has undoubtedly been commandeering for the last two years and a half, the whole of the Rand output, practically \$200,000,000 per annum. Before the war Germany was a large importer both of foodstuffs and of raw materials for her manufactures. In 1913, for example, she imported 7,036,738,000 marks of the former, against exports of 1,758,170,000 marks, and in the same year she imported 209,020,000 marks of wool, 587,288,000 marks of cotton, 452,328,000 of hides, and 351,347,000 marks of copper. These figures afford some idea of her need for funds when she begins her attempt to recover her place in the world of industry and commerce. Her payments abroad will have to be on a gold basis, and the implications are plain.

There is another aspect which, when viewed in connection with the above, would seem to accentuate her situation. How long will it be before Germany's opponents will consent to trade with her? That is a hard question, but it is quite commonly believed that it will be a very long time indeed before commercial intercourse is resumed on any large scale between France and Germany. A much shorter period is likely to elapse in the case of Great Britain, but it may take a number of years for the antipathy to subside, and in that period a great many things may conceivably happen to Germany. In 1913 Great Britain imported goods valued at over £80,000,000 (\$400,000,000) from Germany, and exported to her over £40,000,000 (\$200,000,000). Comment is hardly necessary.

This whole subject of the future of German finance must be discussed with reservation. German statesmen and financiers profess great faith in a successful outcome of the present situation, and they may have more or less valid reasons unknown to the rest of the world for their optimism. On the other hand, there are in this country not a few persons experienced in international finance who can see no way out of the situation except default. All that need be said on this score is that it would be insensate folly for Germany to default unless the other nations did likewise, a contingency which may be dismissed from mind.

Some Effects of Munitions Making

By B. E. V. LUTY

WHILE the dislocation in American industries caused by the demand for steel and its products has, during this war, been very great, it has not been so great as might have been expected. If, just before the war, it had been suggested that we were to be called upon for the goods which we have been furnishing in such large quantities, the reply would probably have been that the thing could not be accomplished, that the industry of making steel and the industries that convert the steel products of the mills into goods ready for actual use are highly specialized, and could not be changed for the production of other material except after many months, even years, of preparation.

When confronted with actual orders, at highly remunerative prices, companies found that much more could be done than would have been expected. On account of the large profits in prospect it became with the manufacturer purely a question of materials, equipment, and men. If regular trade had to suffer, this was a contingency that could not be considered. It was largely in the first half of 1915 that the preparations were made or definitely undertaken. At that time the domestic demand was not good by any means, and the business offered by the Entente Allies was very welcome. Afterwards, when the domestic demand increased, there were regrets on the part of some manufacturers utilizing steel, though not on the part of steel-makers, that they had not waited for domestic orders for their usual products instead of venturing into new lines.

It is convenient to consider the industries of steel-making and of steel-consuming separately, as they have been differently affected. The first demand for war steel was for "large rounds," generally between 3 and 3½ inches in diameter. A number of such orders were placed in November and December, 1914, both for export and for domestic makers of shrapnel shells. The material would be classified as "merchant bar" and would ordinarily be rolled on a merchant mill, but in ordinary times the proportion of such large sizes required is small, and only a very few of the merchant mills are stanch enough to roll them. As the demand grew, it became feasible to convert rail mills merely by changing rolls. By the end of 1915 there was scarcely a rail mill in the country that was not rolling large rounds of shrapnel. For eight years the rail mills had been employed but lightly. The demand for rails had decreased at a time when the capacity for rail rolling had increased, new mills having been built for making open-hearth rails when a corresponding capacity for producing Bessemer rails had not been abandoned. At present it is difficult to buy rails for delivery prior to the second half of 1918, although the demand has been equal to only about one-half the rail-making capacity. The price of rails had not changed in fifteen years when in 1916 two successive advances of \$5 a ton were made, but rails are still very cheap relatively, since other steel products have advanced vastly more.

From causes well understood there has been a tremendous demand for steel plates for shipbuilding, but this

demand did not develop early, as is shown by the record of prices. Through the year 1915 plates were somewhat weak as compared with cognate steel products, and it was not until March, 1916, that plates sold at an abnormal price as compared with other steel products having the same cost of production, the war having then progressed for more than a year and a half. Now plates for shipment in from two to six months are selling at approximately double the price they would command if in normal relation to other steel products. It requires a long time to build a plate mill. The raw steel, of course, could be found by taking it from other finishing mills.

In the industries that work up steel the dislocations have been much greater. The manufacturers of machinery early received enormous orders for lathes and other metal-working tools from shell-making factories, both domestic and foreign; on which account they could not care for their regular trade when it grew to normal proportions. Users of tools for the production of ordinary commercial products have been greatly inconvenienced, and the steel-making industry itself has suffered seriously.

The greatest dislocation of all has been in the matter of railway rolling stock. It is true, the railways were slow in buying. During the first seven months of 1914 they had been waiting for "the rate decision," and when it came, just as the war broke out, it proved a disappointment. Then, with the war started, it was expected that billions of dollars of their securities, held abroad, would be dumped on the market. On account of conditions the rate case was reopened, and December 18, 1914, a somewhat more favorable decision was rendered. The following May the railways began to buy cars and locomotives, but even then only in a moderate way. By the time the railways were really anxious to obtain deliveries of cars and locomotives many of the shops had branched out into the manufacture of shells, while they had accepted fairly large orders for cars and locomotives for export, and steel had become scarce and high priced. Not only the car and locomotive shops, but the manufacturers of supplemental equipment had become busy through taking on war orders of various descriptions. The railways had waited too long. In 1916 they received only about 3,000 locomotives, a small number considering that in both 1906 and 1907 they had received more than 6,000. They received only about 100,000 freight cars, when in several years in the past they had received more than 200,000. Yet even so, if the mills and shops involved in furnishing rolling stock had not taken war orders, there would to-day be no semblance of a shortage of cars, and the shops would not have had to work at capacity to provide the needed rolling stock. A mere matter of a thousand locomotives would have made a vast difference in the situation, for as often as not a shortage of cars is due simply to an insufficiency of motive power.

As noted at the outset, the demands of the war created disturbances largely because industry is so highly specialized. The volume of the demand for steel and steel manufactures for purposes of war has not been extremely large, in comparison with the total output of steel. In 1912, the best iron and steel export year prior to the war, the proportion of total output which was exported directly or which passed into the manufacture of machinery, etc., for export, was between 11 and 13 per cent. In 1916 the proportion was approximately 25 per cent., and the industry had so grown that the tonnage remaining for strictly

DEALERS IN

HIGH GRADE

Domestic and Foreign

Securities

SUTRO BROS. & CO.

MEMBERS NEW YORK STOCK EXCHANGE

120 BROADWAY NEW YORK

Telephone Ractor 7350

domestic consumption was somewhat larger than in 1912.

Total iron and steel exports of such commodities as are reported by weight have been as follows, in gross tons:

1912	2,947,596
1913	2,745,635
1914	1,549,554
1915	3,532,606
1916	6,110,790

Comparing 1912 with 1916, we find that the character of the exports changed greatly. There was a decrease in exports of pipe, as the trade in commodity was chiefly with neutral and non-producing countries, and there was only a small increase in structural shapes. Exports of rails increased moderately. There was a very large increase in barb wire, from 96,059 tons to 418,882 tons, with an increase in wire rods, used largely for making submarine nets, from 64,978 tons to 158,284 tons. Items entirely apart from those making up the tonnage figures just cited were loaded and unloaded shells, locomotives and freight cars, automobiles, and large quantities of metal-working machinery, chiefly for the manufacture of munitions.

The Problem for the Newlands Committee

By THOMAS F. WOODLOCK

THE industry of transportation by railways in the United States is, strictly speaking, more than eighty years old, whereas regulation by the national Government was begun only thirty years ago. The present situation, which is engaging the attention of the Congressional committee under the chairmanship of Senator Newlands, is at bottom and in the main the result of the fact that the art of regulation has lagged behind the railway industry so far as development is concerned, and the problem now is to bring the two into harmonious relation so that the public's needs for transportation may be supplied. Failing this, there is no escape from direct governmental ownership and operation of American railways. So much seems to be admitted by all who have studied the subject.

When the Interstate Commerce law was enacted in 1887,

Books on Finance and Economics

To be obtained from leading booksellers or may be ordered direct from publishers

BREACHES OF ANGLO-AMERICAN TREATIES

A Study in History and Diplomacy

By JOHN BIGELOW
Major U. S. Army, retired

With Three Maps. 12mo. Cloth. \$1.50 net.

What are treaties worth? Major Bigelow's work is an important contribution to the evidence, to the historical material, entering into the groundwork, and the framework of a correct answer to this cardinal inquiry of our day.

STURGIS & WALTON COMPANY

THE BOOK OF THRIFT

An extremely timely and practical work by T. D. MacGregor, at once an inspiration to the reader and a dependable *Guide Book* on the road to fortune. It points out the pitfalls to be avoided and gives practical and well-tested advice as to how to achieve financial independence. It has been well called "The Twentieth Century Poor Richard." *Large 12mo, Cloth. \$1.00 net; by mail \$1.12.*

FUNK & WAGNALLS COMPANY
Department 970, New York

TRADEMARK ADVERTISING AS AN INVESTMENT

By ARTHUR ACHESON

Mr. Acheson's analysis of the manner in which trademark values are created and the conclusions he reaches are the result of twenty-five years' practical experience as a writer, buyer and seller of advertising. The present monograph in a slightly different form has been used by Mr. Acheson in the past year or two in presenting trademark values to national advertisers and has been instrumental in selling an immense volume of new advertising to experienced buyers.

12mo. cloth, by mail \$1.00

NEW YORK EVENING POST CO.
20 VESEY STREET, NEW YORK

the railway industry had definitely emerged from the anarchic stage of frantic competition in construction and cutting of rates. The great trunk-line war of 1884-5 was virtually the last of the important conflicts of this kind. The "rebate," however, still flourished. It is but fair to remember that at that time there were many who believed that there was justification for this method of differentiating "wholesale" from "retail" in transportation. The depression of 1893-1897, with its tidal wave of railway bankruptcy, brought about not merely a financial housecleaning on the part of the companies, but a better understanding of the basic principles of the industry, and when the Supreme Court in 1898 decided the famous "Nebraska Maximum Rate" case (*Smyth vs. Ames*), which definitely curbed the rate-making by separate States, railway managers began to feel solid ground under their feet. Under the lead of Mr. A. J. Cassatt, of the Pennsylvania Railroad, there was inaugurated, in 1899-1901, the "community of interest" plan, under which the Eastern railways were brought into harmony as close as was possible under the law, and the back of the "rebate" system was broken. Rates were first stabilized and then advanced from the extremely low levels to which they had been forced in 1899, and the industry commenced to prosper exceedingly.

Meanwhile, legislation had followed the lead given by the companies, and in 1906 the Hepburn act, mainly aimed at "rebates," was placed on the statute book. By this time the "rebate" was relatively non-existent. But the question of rates and costs began to loom up, owing to the increase in price of materials and in wages. The depression of 1908, following the panic of 1907, brought this to the surface, and a movement was begun by the companies to obtain a general advance in rates. Under the Sherman law, as construed in the "Joint-Traffic" case in the late nineties and in the "Northern Securities" case of 1904, the companies could not openly combine for any purpose. The Interstate Commerce law, moreover, as it stood in 1908, gave the Interstate Commerce Commission a veto power over rate increases upon investigation of the facts, although the Commission had not at that time power to suspend a proposed tariff or to prescribe a tariff in its place. Nevertheless, in 1909, the companies in East and West announced a general increase in rates. This was met by

the Attorney-General with a threat of an injunction under the Sherman law, and the companies agreed to go to the Interstate Commerce Commission. The Mann-Elkins law of 1910 gave the Commission plenary powers over rates, and in 1911 the Commission refused the advances asked for by the railways.

Then for the first time it became clear to every one that full control over railway rates had passed to the Interstate Commerce Commission, and it is fair to say that the decisions in the 1910 rate cases marked a definite point of departure in the relations between the companies and the public. The indisposition of investors to furnish new capital for railway purposes since 1911 has been, in the opinion of many people, largely due to alarm over the fact that managers have now no longer any control over the elements of railway revenue and but a very slight control over the elements of cost. It has also been feared that the regulating authority has not as yet recognized the serious nature of the problem nor fully thought out the broad lines of principle upon which it must be solved. The "five per cent." rate cases of 1913 and 1914, dealt with upon rather opportunistic lines, have not sufficed to remove this fear, although the final decision in those cases was at least a move in the right direction. Nor is the question academic, for the figures placed in evidence in these cases disclosed tendencies at work which, temporarily disguised in 1916 by the rush of general prosperity, are again commencing to appear in 1917. Railway net income, upon which depends the flow of new capital and, therefore, the supply of railway facilities, is now once more between the upper and the nether millstones of rigid rates and growing costs. And before many months have elapsed it will become evident that much of the ground temporarily gained in 1916 has been lost. There are those who believe that before the end of 1917 it will be necessary to appeal again for higher rates, at least in the East.

This is the situation that confronts the Newlands Committee. Either the regulating authority must find a way to attract into the railway industry the new capital that is necessary or the Government itself must undertake to furnish the public with the transportation facilities that are required. Moreover, the reassertion of what the Interstate Commerce Commission in the "five per cent." case

Books on Finance and Economics

To be obtained from leading booksellers or may be ordered direct from publishers

WHAT EVERY BUSINESS MAN SHOULD KNOW

BY L. C. KEARNEY.

A book of reference for the busy man in any line of industry and commerce, being a complete guide to business usages, with explanations of business terms and commercial forms. *With diagrams and illustrations.* Cloth, 8vo, net \$1.60.

FREDERICK A. STOKES COMPANY

GOVERNMENT TELEPHONES

The Experience of Manitoba, Canada

By JAMES MAVOR, Ph.D.
Professor of Political Economy,
University of Toronto

Government operation of telephones was begun in Manitoba in 1908; the results of the enterprise during the succeeding years are impartially recorded in this book, which should be of interest to every American citizen who wants to know how government ownership works. *At all bookstores, \$1.00 net.*

MOFFAT, YARD & CO., Publishers, N. Y.

RAILROAD VALUATION

By HOMER BEWS VANDERBLUE

A scientific study of one of the most pressing problems now before the Interstate Commerce Commission, and one of importance to every one who is interested in or who uses railroads. Hart, Schaffner & Marx Prize Essay.

\$1.50 net. (Ready March 31.)

HOUGHTON MIFFLIN CO.
4 PARK ST., BOSTON.

Business Competition and the Law

Some Everyday Trade Conditions Affected by the Anti-Trust Law

By GILBERT H. MONTAGUE

12°. \$1.75.

Since the organization of the Federal Trade Commission, Mr. Montague has appeared as counsel for various interests in the Commission's investigations into the gasoline industry, the petroleum industry, the newsprint industry, American export trade, and industrial reorganizations and consolidations. He has acted as counsel in cases of unfair competition which the Commission has prosecuted. The more popular aspects of this branch and its bearing upon everyday competition Mr. Montague discusses in his book.

G. P. PUTNAM'S SONS
New York London

AWAKENING OF BUSINESS

By EDWARD N. HURLEY

Ex-Chairman of the Federal Trade Commission

The student of modern finance and business will find this volume both enlightening and authoritative.

Mr. Hurley treats the more important phases of these problems with vigor and assurance born of many years of personal experience on the firing line.

At all bookstores. \$2.00 net.

DOUBLEDAY, PAGE & CO.

KOBER AND HANSON DISEASES OF OCCUPATION AND VOCATIONAL HYGIENE

This ONE book

Contains the vast experience and great labors of numerous world specialists on occupational diseases, vocational hygiene, health conservation, labor legislation, efficiency methods—concise and clear, conveniently arranged, illustrated.

It is the outcome of most recent trend of human efforts for better health conditions, better laws, better results. A vast storehouse of classified knowledge omitting no fact of importance. Indispensable for the efficiency expert, manufacturer, financier, physician, lawyer, social worker, labor and factory inspector, legislator, public health officials, etc.

A Modern, Illustrated Guide
Very Comprehensive, Very Practical
Cloth, \$8.00, Postpaid

Handsomely Illustrated Circular mailed free upon request.

P. BLAKISTON'S SON & CO.
PUBLISHERS PHILADELPHIA

JUST PUBLISHED

MASTERS OF SPACE

By WALTER K. TOWERS

The story of inventions of message-sending through space and of their inventors; the telegraph; the ocean cable; the telephone; wireless telegraphy, and the wireless telephone.

\$1.25 net.

HARPER & BROTHERS

THE SINGLE TAX MOVEMENT IN THE UNITED STATES

By ARTHUR NICHOLS YOUNG, Instructor in Economics and Social Institutions, Princeton University.

A comprehensive, objective, and non-controversial history. Second printing. "Remarkably complete, remarkably accurate, in excellent judicial balance."—Louis F. Post, Asst. Sec., U. S. Department of Labor.

\$1.50 net; by mail, \$1.58.

PRINCETON UNIVERSITY PRESS, Princeton, N.J.

AN HISTORICAL ATLAS OF MODERNE EUROPE, 1789-1914

By C. GRANT ROBERTSON and J. G. BARTHOLOMEW. Twenty-nine full colored plates and fourteen half-plates—forty-three maps in all, with an historical and explanatory text. *Imperial 4to, cloth. Net, \$1.50.*

"A remarkably low-priced book. The maps, apart from their educational value, explain the European problems that led to the war and show many of the difficulties that will have to be arranged in the settlement."—N. Y. Sun.

Oxford University Press American Branch
35 WEST 32ND STREET NEW YORK

AN ATLAS of ECONOMIC GEOGRAPHY

By J. G. BARTHOLOMEW, with an introduction by L. W. LYDE. Ninety-six pages of colored maps and sixty-eight pages of text. Demy 4to (11¼x9), cloth, \$1.75.

Shows by color contours which countries produce the various agricultural and mineral products, the occupations of mankind, temperature, rainfall, and trade routes. It should be in every public library and will be found invaluable to all those engaged in foreign trade.

Oxford University Press American Branch
35 WEST 32ND STREET NEW YORK

REFLECTIONS ON VIOLENCE

By GEORGES SOREL

"It is doubtful if any book can be named that is better calculated to state the spirit and method of revolution. . . . The introduction alone will convince any reader that this study is not to be skipped by one who would know the most penetrating observations upon the various anarchisms of the hour. . . . He treats of violence in its relations to the class war; the decadence of the middle classes; the general strike; the ethics of violence, and the ethics of the producers. It is here one sees at its best his more distinctive contribution: his contempt of the middle class and of all those who would conciliate it."—JOHN GRAHAM BROOKS in *American Economic Review*. Svo, 299 pp., \$2.25 net

B. W. HUEBSCH, Publisher, New York

Keep On Your Desk

A Copy of

THE AMERICAN YEAR BOOK, 1916

Edited by

FRANCIS G. WICKWARE

Business men, professional men, and intellectual workers of all kinds will find the seventh edition of this standard work more complete and more valuable than ever. The American Year Book is for busy people—a short cut to accurate knowledge of current events and a condensed and convenient account of everything worth knowing that has happened during the year. From no other source can this information be obtained so quickly and economically.

At all booksellers \$3.00 net
D. APPLETON & COMPANY
35 West 32d St., NEW YORK

called a "declining tendency of net income" is a warning that there is not any too much time available for abstract deliberation. It is certainly no exaggeration to describe the position as critical in so far as the future of the industry is concerned, for however opinions may differ as to the wisdom or unwisdom of Government ownership and operation of American railways, all will agree that Government ownership as a by-product of failure in regulation is assuredly not desirable. This epigram, uttered by Mr. Frederick Strauss on the witness stand in the "five per cent." case, has lost none of its significance since it was spoken more than two years ago.

An Opportunity in Argentina

By WILLIAM SPENCE ROBERTSON

UPON Argentine industry and commerce the great war has, in many respects, had very deleterious effects. E. S. Zeballos, the editor of the *Revista de Derecho, Historia y Letras*, has estimated that, because of the war, Argentina is losing over four hundred and fifty million pesos per annum. For news of the outbreak of that titanic struggle surprised Buenos Aires at the critical juncture when a marvellous boom had been checked by crop failures, caused by a series of severe droughts. The European conflict intensified the crisis. The withdrawal of English and French capital from Argentina because of the exigencies of war has crippled her industrial activities. For Argentine capitalists do not appear anxious to profit by the occasion to replace European capital with their own moneys which are lying idle in the banks. Argentine industries have consequently been arrested: railways have been forced to relinquish projected extensions and to dismiss many employees. On the other hand, the war has encouraged the establishment of certain new industries in Argentina, as witness the establishment at Buenos Aires of a boot and shoe factory and a sword factory. Inability to procure coal at any price has forced the citizens of Argentina to fell the quebracho forests of the north for use as fuel, and leagues of rich soil have thus been prepared for settlement. The unprecedented demand for wool and wheat and meat for the huge armies of the Allies has brought much gold to the *estancieros*, the owners of large ranches.

On the foreign trade of Argentina the effects of the war have been most serious. Just before the outbreak of the struggle, Germany was making an aggressive effort to obtain Argentine trade; keen competition was going on between English and German steamship lines plying from Europe to South America; freight as well as passenger rates were exceedingly low. Argentine meat, hides, wheat, and wool could be marketed in Europe with comparative ease. To-day, not only has the stimulus of German competition been removed, but much English tonnage has been taken from the South American trade. Many English vessels have been requisitioned by their Government to transport meat from La Plata to London or to Havre. Since the war broke out the freight rates charged by English companies for the transportation of Argentine products to London have increased tenfold or more. To say the least, the marketing of certain Argentine products has been hampered. Then, too, the prices of English goods have in many cases advanced; German goods, which many Argentines

prefer, no longer find their way to Buenos Aires in large quantities; and, as yet, the merchants of the "Great Republic of the North" can scarcely be said to have appreciated the situation.

Much has been said in the American press of the opportunity which the war affords to the United States to obtain control of South American markets. In Argentina the opportunity is indeed great. Her crying needs furnish the conditions favorable for the establishment of a profitable and permanent expansion of the foreign commerce of the United States. In some directions American enterprise has made significant progress in South America. In accordance with the provisions of the Federal Reserve act, the National City Bank of New York has established branches in Buenos Aires and other South American cities. North American goods are being imported into Buenos Aires in increasing quantities. But there is much that can still be done to promote good relations between the United States and Argentina. Manufacturers' agents in Buenos Aires should take cognizance of certain trade practices, more or less prevalent in the United States, whereby the article supplied by the manufacturer is sometimes a shade or two less satisfactory than the sample which has been displayed. Certain American manufacturers should be reminded that the Argentine customer wants what he ordered and not another article which a man in New York thinks is just as good. American manufacturers should give credit to Argentine purchasers, just as American purchasers of goods in Argentina receive credit. In truth, there is imperative need for a campaign to educate American manufacturers and merchants regarding Argentina's actual condition and her commercial practices. Otherwise, when the great war has terminated, English and German goods will inevitably displace American. The unique opportunity will have been lost.

Buenos Aires, January 6

Rural Credits on Trial

By C. M. HARGER

WITH the approach of the opening of the Federal land banks, much interest is taken by land-owners and by those who hope to become such in the effect of these institutions on their prosperity. At the beginning of the agitation for land banks in Congress, and immediately after the adoption of the law, exaggerated ideas of the possibilities of cheap money were entertained by both farmers and speculators. But as the new legislation has been studied and the conditions imposed have been better understood, there is less certainty as to the actual effect upon the agricultural progress in the farming sections.

It is unfortunate that the Government's advanced position on rural credits could not have been tried out at a more opportune time. Under normal conditions, when prices of farm products were not swollen by war demands and the farmer could look at his investment without being dazzled by visions of vast wealth, there would have been a real test of the land bank. To-day, with wheat selling at from \$1.50 to \$1.80 a bushel, corn at 80 cents to \$1, live stock breaking price records, and everything the farmer has to sell bringing exceptional figures, the margin of

profit is too large to make interest rates a matter of moment. It is difficult to estimate the real effect of a nation-wide rural credit system and the degree to which the farmer will give it acceptance.

Thus much, however, has been already accomplished: Looking ahead to possibilities, the investors in farm mortgages have for the past eight months extended greatly liberalized terms to borrowers; they have offered amortized long-term loans; they have been more solicitous than usual for the borrower's interest; and while rates have not on the whole been materially reduced, the larger limits of loans compared to the appraisements and the privileges extended have been more generous. The truth is that the farmer-borrower has been for two years the dictator of the farm loan. The effort has been by the investor to make loans, not by the land-owner to borrow.

Another factor in the situation is the steady market for farm land. High prices for products have made the producer contented. He sees in his land a positive asset, and more farms have been taken off the market than have been newly offered for sale. Indeed, it is doubtful if ever before so few desirable farms were for sale as to-day. Such sales as take place are at prices from \$5 to \$10 an acre higher than was the case eighteen months ago, and the tendency is towards still higher figures if crop conditions during the coming season are satisfactory.

It is the opinion of many land-owners recently interviewed that in the older settled sections, where rates of interest are 6 per cent., or even slightly less on gilt-edged security, the land banks will do little business. The complications and red tape of the land associations do not appeal to the farmer who wishes his money speedily and who is not influenced by a possible fractional reduction in interest. In these sections, if the system were less involved, there would be a tendency towards liberal patronage of it for the purpose of buying additional land and for refunding outstanding indebtedness, and it may be that in such territory the operation of joint stock land banks will prove acceptable. On land worth \$100 an acre, on which only \$50 can be borrowed, the difference between 5½ and 6 per cent. on the debt is too little, with prices as they are, to induce the farmer to go to the requisite trouble to obtain the lower rate. It seems likely, therefore, that for the present the rural credit operations will not be extensive in well-developed territory. The benefit to the farmer will come through the greater liberality shown by the ordinary loan agencies, which is brought about to some extent by the fact that the system does exist and that advantage may be taken of its provisions unless other conditions are favorable.

There is, however, a vast farming territory not fully developed. All through the Western and Southern States farmers are building up new territory. Some of this is more or less experimental; some has the basis of a prosperous future, provided capital can be found to finance the operation. It has been difficult to obtain loans from insurance companies and private investors for such territory. Rates of interest have been from 1 to 2 per cent. higher than in established communities; commissions also have been high and terms have been strict. The farmer has felt that he was treated with less liberality than commercial borrowers who, though they also might pay high interest, were enabled to charge high prices because of their comparative monopoly of trade.

FOSTER DEBEVOISE

Investment Securities

NEW YORK

ANNOUNCES THE REMOVAL OF HIS OFFICES
TO
46 CEDAR STREET
14TH FLOOR

Telephone John 2991-2

This territory is needed for production. The nation is short of foodstuffs and likely to be so for several years to come. One solution of the cost of living is through an increase in the crop area and better methods of production. An example is set by western Canada, where the Government assists the farmer in furnishing better seed, in helping him financially, and in endeavoring to add to the output of the fields. To this partially developed territory the rural credit system ought to bring relief. If the system can be so conducted as to make safe appraisements and uphold the integrity of the land bank bonds, thus attracting investors to them, a modification in the rates of interest should be possible. But more important than this will be the furnishing of funds with which to develop the land and to enable land-owners to increase their production. The limitations of the land bank, allowing only 50 per cent. of the appraisement in the loan, will not do much for the tenant farmer—a class that should have the earliest attention of economists. But the man with some capital will be enabled to get a start provided he has faith in the land and the climate.

One proposal that has been held out by enthusiasts is that the man without funds may, after obtaining 50 per cent. of his purchase price from the land bank, obtain the remaining 50 per cent. on a second mortgage from bankers or others. This is visionary, except in rare instances where the purchaser has a personal friendship with a capitalist. Many bankers interviewed say that they could not consider such a proposal, that it would be bad banking and too large a risk unless undertaken on a basis of long and direct acquaintance together with some altruistic sentiment.

Exuberant writers have frequently assumed that every farmer is heaping up great wealth. The facts are that even under good conditions there is no large profit in the average farm, increment of land value omitted. A survey of two hundred Kansas farms taken for the year before the outbreak of the war showed that on farms with an average capital invested of \$8,800 the owner received, after paying 5 per cent. on his investment, \$329 for his year's work. On farms averaging \$18,359, he received \$659; on farms averaging \$32,231, he received \$1,028. The rural credit system must obtain its full fruition in normal times, not in a period of exceptional prices for products. Just

now it is handicapped by the prosperity of the well-established farmer in operations in most desirable territory and must look for its greater activity to territory where there is some uncertainty as to the actual outcome of the crops. Whether or not it can conduct its loan activities in the less desirable territory with success is the important fact as regards its influence on American agriculture at this time. Sound finance would seem to call for extensive agricultural education along with the loans and such expert supervision as will enable the borrowers to overcome rapidly the handicap of unfamiliar soil and untried climatic conditions.

The News Machinery of Wall Street

By FRANK JAMES RASCOVAR

FIFTY years ago time was not much more important in the handling of business in securities than it is in the Sahara Desert to-day. I recall reading an interview that appeared a few years ago with a man who had been a member of the Philadelphia Stock Exchange for the greatest number of years up to that time, and also one with a man who had been admitted the day before. The former went back in his reminiscences to the days when there was neither telegraph nor telephone. A Philadelphia broker, receiving an order for execution on the New York Stock Exchange, would put it in the mail that day for execution the following day as near as possible to the quotation specified. Orders for execution on the Philadelphia Exchange were carried from the brokers' offices to the door of the Board Room and there deposited through a slot into a wire receptacle. Whoever among the brokers, all of whom were required to remain seated except when making a sale or purchase, first spied the memorandum in the wire cage would call out, like a boy in the old district schools in the country, "Rat in the trap."

It is difficult to imagine Wall Street being required to revert to conditions anything like these for a day or even an hour. To-day time is all important, and the business man requires in his news a combination of absolute accuracy with the greatest possible speed. To furnish him with this Wall Street has an elaborate machinery which consists, without going too much into detail, of the telegraph and telephone, the stock tickers, news tickers and bulletins, and special news services of various kinds. The stock tickers are in the offices of the brokers and bankers and furnish an almost instantaneous report of the transactions on the floor of the Stock Exchange. The brokers and their customers and the bankers as well are eager for these reports, inasmuch as they show how the market is going; but these quotations and the number of shares dealt in are regarded, and actually are, history. To be sure, they often forecast the future trend of the market and thus enable would-be buyers or sellers to determine what they will do.

The Street, however, is more concerned with the factors and influences within its own limits and throughout this country and the civilized world that will go a long way towards making people decide whether they will buy or sell

and in what amounts. In short, every one who has to do with the affairs in the financial district wants to know the news and everything that is likely to have a bearing upon the financial markets.

When my father, the late James Rascovar, began his career in Wall Street more than forty-five years ago as a messenger boy, there was only one news agency here and its service consisted of a few sheets of flimsy, on which the meagre news items of the day were written with a stencil and distributed by hand by my father and other messenger boys to the relatively small number of bankers and brokers then doing business in the financial district. To-day there are two large news agencies operating electrical page printing tickers, printed bulletins of which each customer gets 100 or more on a busy day, which are distributed by boys every few minutes from 9 in the morning till 3:30 in the afternoon. These two agencies each have a morning and evening daily paper intended largely for the benefit of speculators and investors outside of the financial district. There are also a goodly number of news services, some of an analytical character, intended for investors, and others of a highly gossiping nature to meet the requirements of those who speculate in stocks, largely on rumors and tips.

The tickers are truly wonderful pieces of mechanism, operated through the medium of a keyboard somewhat similar to that of a typewriter. When a subscriber to this service reaches his office in the morning, between 9 and 9:30, he will find a summary of the financial news of the morning papers, which is intended chiefly for transmission over his private wires to branch offices. He will find also a summary of railway and other earnings that have come in over night, the latest quotations for American securities in the London market, everything pertaining to the domestic and international situation that has been made public or available since the morning papers went to press—in fact, everything that is calculated to have an influence upon the financial and commodity markets before they open for the day.

While the Exchanges are in session, every hour or oftener, there appear on the tickers a few paragraphs giving the trend of the leading markets in New York, Philadelphia, Chicago, Boston, and the other centres in the United States, where there are exchanges or boards of trade. Coupled with this is all the news of the day in the way of earnings, dividend declarations, political announcements of various kinds, together with a survey and summary of what is going on in Europe and throughout the civilized world.

Obviously the collection and distribution of all this news involves a heavy outlay for local staffs, branch office managers, and correspondents in this country and abroad. For many months Washington has been the source of much of the news in which Wall Street was particularly interested. The leading news agencies of our financial district maintain large staffs of men at that centre, in order not to miss anything from the many departments of the Government from which big news may be forthcoming. So complete are the arrangements for "covering" the national capital that subscribers to these ticker services in Wall Street are able to have a summary of the most momentous announcements in less than five minutes from the time that they are made public.

Before the international situation became so acute it

was the custom of the heads of different departments in Washington to give out reports and other documents to the leading news agencies subject to release at a specified time. Summaries were made, if the documents were too long to publish in full, and consequently in a minute or two after the release was given in Washington the tickers in Wall Street would be giving their subscribers what they were so eager to get. Of late no advance copies of the President's messages have been given out. Experienced reporters, however, flash a summary of them to the news agencies in New York in less than five minutes after copies come to their hands. More elaborate summaries are sent later.

Similar arrangements are made for getting the news in every other important centre in the United States, Canada, and Mexico. Regular correspondents or representatives are depended upon ordinarily, but when the occasion warrants special men of unusual experience and trustworthiness are sent from the home offices. For instance, a few years ago a decision was to be handed down in Cincinnati which involved not only the defendant railway in the case, but many broad questions applicable to the railways as a whole. One of the two large news agencies in Wall Street sent two men to Cincinnati to "cover" that decision. They made arrangements so that by telephone and telegraph they had two direct wires from the court house into their New York office when the Judge began to read his opinion. Long before he finished they flashed a summary of the decision, a dummy dispatch having been set up in the New York office in advance. Cincinnati got its first news by this dispatch being wired from New York to that city long after Wall Street and even London knew the opinion of the court as printed on this news ticker.

Through London as a clearing house the news agencies are getting a great amount of highly important international news. Official statements from Germany, of course, come through another source. Without going more into detail, it may be asserted that within a few minutes in the case of the United States, and a few hours at the longest in the case of Europe and the rest of the civilized world, Wall Street is able to read on the news tickers all the news in which it has special interest.

Much of the news affecting the financial markets originates in Wall Street itself, and to handle this local news a big staff of men is employed by the news agencies. From one to four or five men are sent to report a dividend, an annual meeting of stockholders, an important statement of earnings, or a big piece of financing by bankers. In the case of dividends "dummy" paragraphs giving every possible rate are set up in advance, and before the announcements are made officially telephones are opened from a point near by the meeting room to the office of the news agency. Immediately the announcement is made, the correct form in the office is released and a subscriber to the ticker has the news inside of two minutes after it is given out. Similar steps are taken to "flash" all other important local news.

WE LOAN MONEY

On office or bank buildings, business blocks and first-class hotels, in cities of 50,000 or over in the United States or Canada. Lowest rates, long time. New projects preferred. Reasonable commission.

HORD & COMPANY, Inc.
INVESTMENTS

One Hundred Broadway

New York

Taxing the Savings of Policyholders

By WILLIAM ALEXANDER

IT is well that when standard premium rates were established many years ago the companies added a sufficient loading to the pure premium to provide for contingencies, for at that time the insurance companies were not taxed, and in fixing premium rates no specific provision was made for taxes. It was observed that, as a rule, the savings of the people deposited in savings banks were exempted from taxation, and it was natural to assume that the savings of the people deposited with insurance companies would be exempted also.

Later on, however, insurance departments were established in the various States to supervise the companies. It was right and proper that the companies should be called upon to pay the legitimate expenses of these departments, and moderate taxes were imposed for that purpose without protest on the part of the companies. Usually these taxes represented a small percentage of the premium income of each company; and as the companies were not very large the amount which each was called upon to pay was moderate. But as the companies grew the amounts assessed against them increased until the burden became intolerably heavy.

Policyholders have been apathetic about taxation because of the strange popular delusion (which is entertained not only by the public at large, but by many Senators, Congressmen, and State legislators) that the company can be taxed without injuring the policyholder. But every penny paid in taxes by a company conducted on the participating plan reduces the surplus of that company to that extent. And every reduction in surplus reduces the refunds (dividends) to policyholders. The reason policyholders have ignored this fact is that their premiums have not been increased. They have not been called upon to disburse any more money. But the companies have been forced to reduce their refunds, and the policyholders have therefore paid these taxes indirectly.

It sometimes happens that a policyholder is disappointed

and complains that the refunds paid him have not been as large as he expected; and as a rule such complaints have been directed against the company and its management and not against those who are responsible for the taxes; namely, the lawmakers who have levied them. In some cases policyholders who have complained have also been legislators who have voted in favor of taxing life insurance companies, and have thus been directly responsible for the fact that the refunds they have received have not increased more rapidly. The need for diffusion of information on the subject is obvious, in order that the public may send to Congress and the State Legislatures men who will see clearly that the heavy taxation of thrift is as shortsighted as it is unjust.

The Progress of the Telegraph

By F. W. LIENAU

A CONSIDERABLE portion of the increased load which the telegraph has recently been called on to carry is no doubt the reflex of the general extraordinary stimulation of business during the last two years or so. But paralleling this abnormal increment attributable to the special conditions of the day, there has been proceeding at a constant ratio of increase a growth of traffic of a more permanent and substantial character. To this a number of causes have contributed. The introduction of the night letter and the day letter services some years ago marked a notable step forward in the extension of the utility of the telegraph to the public. The American people are quick assimilators. They cannot afford to waste the proverbial nine days in wondering at any innovation. It is stripped of its newness with very much the same dispatch with which young America removes the nice, shiny paint from a new red wagon, and the novelty of yesterday becomes the commonplace of to-day. So the new overnight and deferred day services, affording the facility of sending (as their names imply) communications of letter length by wire, at low cost, promptly made a permanent place for themselves in our scheme of business and social correspondence. They have had much to do with opening the way to a better understanding of the adaptability of the telegraph to an infinite variety of purposes, for which it had in former years not been recognized as available, and have thus, in conjunction with other elements, to which further reference will be made, played an important part in bringing about a change in the public mind.

We do not have to go so very far back to recall the day when a telegram was commonly associated with the idea of calamity and distress. Though this extremely old-fashioned superstition may now safely be said to belong to a past epoch, there still persisted the conception of the telegraph as an instrumentality to be used only in cases of extraordinary emergency, its employment even for business purposes, though in the aggregate of respectable proportions, being restricted by the limitations of this narrow aspect. This point of view, as has been said, has been undergoing an important modification. The speeding up of modern business processes calls for the quicker handling of transactions. Constantly sharpening competition has brought home to the

business man the necessity of keeping in the closest touch with the trade to which he sells, as well as with the market from which he buys, and with the units of his own organization. Men of constructive imagination have been quick to discern the value of the attention-compelling power peculiar to the telegram. They have reasoned that a telegram always commands preferred consideration; that it always reaches the man who decides and is not sidetracked by some routine mail-handling clerk; that its appeal is powerful and its demand for prompt action insistent, and that for these reasons it offers the most effective way of presenting any proposal—and this, whether it be to a single individual or to a number of people. As a result of the experiments in this direction the telegram has demonstrated a quite remarkable efficiency as a sales medium and business builder, and with experience its employment in this capacity has grown. Many concerns throughout the country, whenever they have some special offer to present to their customers, now do so by wire. This may involve only a dozen or so messages simultaneously sent, or it may involve anywhere from one or two hundred to many thousands. Files of five hundred or a thousand telegrams at a time are no longer uncommon. A department store found it a profitable enterprise to announce a special sale by sending 33,000 night letters to residents of the city and the surrounding territory. There have been other occasions when more than 100,000 telegrams were sent simultaneously.

The telegram is being used for buying as extensively as it is for selling. Dealers, large and small, are utilizing it most freely to keep their stocks frequently and newly replenished, with a consequent saving of capital tied up and of wastage in dead stock. Again, it has been found to be a most effective agency for bringing in delinquent accounts. Wholesalers and jobbers employ it as a constant encourager of their sales forces. In soliciting orders, it has become a frequent custom to request that they be sent by telegraph at the sellers' expense, a self-addressed telegraph blank being enclosed for the purpose.

The social use of the telegraph has likewise become more general. Travellers have developed the habit of keeping in touch with their families by night letter, probably because a night letter received at the breakfast table on the morning after it was sent has a freshness lacking in a letter from one to five days old. The convenience of telephoning a telegram to the telegraph office from the home has had much to do with the enlarged employment of the telegram for social and family messages.

The development of facilities for handling the traffic has kept pace with the increased use of the service. The telegraph of to-day is a very different affair from the telegraph of a generation ago. Once upon a time a certain Congressman spread upon the *Congressional Record* a speech in which he made the statement that telegraph companies were not progressive and consistently refused to encourage inventors of new methods. It would be interesting to lead the distinguished gentleman (now long since retired) through a modern telegraph office and to exhibit to him what has been accomplished in the perfection of automatic telegraph transmission. The Morse operator still holds its place, and probably will indefinitely, as for certain purposes manual operation by means of the Morse key and sounder is most efficient. But the conditions of to-day demand in addition newer methods for handling the vast volume of traffic. The development of automatic telegraph apparatus has occupied the

attention of scientists for many years. Many contrivances have from time to time been perfected and have had their day, to give place to improved and more effective mechanisms. There are now in successful operation a number of devices by which messages, written on a typewriter keyboard by the sending operator, are reproduced directly and automatically by a typewriting machine upon the proper telegraph blank at their destination, ready for delivery to the addressee. And invention has not stopped there. The Western Union Telegraph Company has in daily use, over many circuits, with more to be added as conditions require, apparatus by means of which eight messages—four in each direction—are simultaneously transmitted over a single wire, the entire process being automatic. This is an accomplishment which speaks for itself.

In handling telegrams seconds count, and the great object to be achieved is the elimination of every moment's loss of time. Moving belts and pneumatic tubes have been installed in the operating rooms to carry the messages from one operator's station to another. Where boys and girls are employed to carry messages from one part of the room to another they are equipped with roller skates. Numerous other time-saving devices have been provided, and new ones are added as fast as they can be devised. There has been constant improvement in the methods of keeping a check on the movement of the traffic—within the offices by a highly developed supervisory organization, and between offices by a system of traffic dispatching by means of which dispatchers stationed at certain centres are constantly advised of the traffic condition of every wire in the country and may direct the movement of the business accordingly.

Whether more exacting demands beget improved facilities or whether improved facilities breed more exacting demands is a question as difficult to answer as that concerning the precedence of the hen and the egg. In any event, there is no doubt a reciprocal influence, and it is the telegraph company's task to keep the facilities always a step in advance of the demand.

The Problem of Human Resources in Banking

By GUY EMERSON

Vice-President, National Bank of Commerce in New York

PROBLEMS now confronting the American banker are new problems. They must be met by a new line of thought. If they are to be mastered, it will be by men who are broad, whose policy is constructive, and whose foresight has kept their work apace with the new situation in financial circles. This situation has been largely emphasized by the European war. Nevertheless, its effect will be permanent.

The public is beginning to realize that the banking of this country is in part a public function and not a purely private function. A great American bank is a quasi-public institution, a part of the economic structure of the United States. Bankers are ready to meet this public responsibility and they are preparing the banking institutions to meet it intelligently and completely.

With this duty to the public in view, bank officers are giving every encouragement to organizations of employees,

clubs formed for social and educational purposes. Bank officers realize that they must get close to the employee and study his individual qualifications and his needs if the broad interests of the modern bank are to be best served. The new problems can be mastered only by developing the human resources. Many employees get a wrong start. Under the old order of things, they either stayed at the bottom where their daily routine became drudgery and their work inefficient, or they slid down the scale and out to seek new opportunities. In this way banks have lost valuable units from their human resources. Because a young man fails as a bookkeeper, that is not of necessity an indication that he would not do excellent work, for instance, in the department of new business. The institution itself must step forward in these cases. It must pluck the exceptional man out of the crowd; it must find the niche that fits the man. Too often the human needs of one department are unknown to all the others.

The remedy for this ought to be in the employment department. At the National Bank of Commerce we have adopted a policy which involves a systematic search of all sources for the best available men. That is the initial step in our educational plan. After a man has been selected, he will be educated and developed carefully throughout his entire course at the bank. To meet its public obligation, the bank is calling for men of imagination, for men with original ideas, for men with inherent ability and initiative to carry out those ideas without constant supervision. These are selected men. The process of selection is becoming a profession in itself.

The economic position of the United States in the future will depend very largely upon the breadth of vision of the men who are in charge of her financial and industrial affairs. And it will not be enough for a few leaders to be men of vision. The new spirit must permeate the whole structure. In must be in the air. The clerk and the office boy must cooperate as well as the president and the cashier. There must be enthusiasm all down the line, such enthusiasm as has made possible the British successes and the German successes in remote corners of the world.

The Commerce Club of the National Bank of Commerce, which 426 of the bank's employees have joined, has as its principal object the development of its members along the broadest possible lines. In addition to educational features,

Barrett Manufacturing & Power 5s.	1939
Butte Elec. & Power 5s.	1951
Butte, Anaconda & Pac. Ry. 5s.	1944
Norwalk Steel 4½s.	1929
Great Western Power 5s.	1946
Omaha Gas 5s.	1917
West Va. Trac. & Elec. 6s.	1917
Federal Light & Trac. 6s.	1922
Madison River Power 5s.	1935
Jacksonville Electric 5s.	1927

Long and Short Term Public Utility Securities

JOHN J. LEVENSON
43 Exchange Place, New York
Telephone Hanover—7098

its members are encouraged to save a part of their earnings through the Thrift Department, which receives deposits ranging from \$1 to \$1,000 a year from any member.

Coöperative buying is another feature of the club that is being largely developed. This is under the control of a special committee of the members. The purchasing power of the members is concentrated so that it will receive special recognition from merchants. The plan has demonstrated that groceries, clothes, and other materials commonly purchased at retail stores can be had at a reduction of from 10 to 40 per cent. through wholesale buying under supervision of the bank. The success of this idea has even led to the consideration of a coöperative store in which the bank employees would be stockholders.

The Commerce Club publishes a monthly magazine, has an entertainment committee and a welfare committee. All of these activities are the outgrowth of the bank's general policy of official coöperation with its employees in any ideas which they originate. For many years the bank has operated a dining-room where meals are furnished to the officers and employees. A sound pension system has long been in force, and a system of life and disability insurance has been adopted, the premiums for which are paid by the bank.

These steps taken by the National Bank of Commerce are merely examples of how bankers are adjusting themselves and the banks they represent to the new era in American finance. Financial America is preparing herself to take up the burden which will surely come in the readjustment after the world war. If America is to attain and hold financial leadership in this readjustment, it must be by careful guidance of her young men, the young men who are even now being developed and broadened, through the efforts of the institutions with which they are connected, not only for foreign fields, but also even more for the expanding field of American banking.

These young men are recruited from the colleges and schools with particular care and with a new coöperation between employers and educators. No longer are employers merely taking the best of the men who voluntarily come to them seeking positions. They are going to the source and selecting ability wherever they find it. They want the young men who will grow mentally. The clerk who will always remain a clerk is necessary; but he is not nearly so necessary in the new order of things as the clerk who will grow out of his job and make room for another clerk who, in turn, will grow too big for his job.

It is notable in this connection that many men in executive positions in the largest American banks to-day have not received their preliminary training in connection with credits or other technical branches of banking. This is merely one of the instances where precedent is not being followed. It is not that men are going into banking to be something besides bankers, but rather that banking is broadening its vision and power sufficiently to include services which it is becoming increasingly necessary to render to the public. Banking is a composite of all business, and the broader the individual the greater are his opportunities of rendering service and consequently the greater are his opportunities of advancement. In a big American banking institution to-day, the narrow man cannot remain narrow and expect to advance.

In no other line of business does opportunity play a more important part in the general conduct of the business than in banking. The new era has been in process of develop-

ment for a long time. The war has brought a rapid culmination. The Federal Reserve act has smoothed over the rough places. The future will depend upon the financiers of America, and they are equipping themselves to meet it. Preparedness is a new word in American finance, but since it was invented financial America has begun to prepare. And one of the most encouraging features of this preparedness is the substantial absence of flag-waving and the beating of drums. If the United States is to take her proper place in the commerce and finance of the world, she need not waste her time looking for a royal road. There is none. The vision is awakened. It must be supplemented by the close, hard, careful work that has placed our great European rivals where they are to-day. We are, as a nation, too accustomed to quick success. We are impatient for immediate results. We have not educated our men with an eye to the long pull.

International Finance

International Finance. By Hartley Withers. New York: E. P. Dutton & Co. \$1.25 net.

MR. HARTLEY WITHERS is one of those rare persons who can make an old subject as interesting as a new. In the present work he has, as he himself confesses, gone over a good deal of ground covered in his previous works on the money and stock markets. Yet those familiar with his earlier efforts will be repaid for scanning what appears here.

In his opening chapter, for instance, he seizes an opportunity presented by Dr. Scott Nearing's work entitled "Income." The American economist makes a distinction between the individual who is paid by society for direct and present service and the one who receives a return because of property accumulated in the past. The latter, he says, from the day when he makes his investment need never lift a finger to serve his fellows. Mr. Withers, however, points out that there must have been an effort once, on the part of somebody, in order that this man need never lift his finger. He cites one of Dr. Nearing's own illustrations, that of a man who had worked twenty years and saved ten thousand dollars, which he invested and so became the recipient of a "property income." Dr. Nearing, says our author, seems to admit grudgingly that in a sense this investor rendered a service, but he complains because the investor expects without further exertion to get an income from the product of his past service. If he could not get an income from it, why should he save? asks Mr. Withers. And if he and millions of others did not save, how could railways or factories be built? It is by such deft touches that Mr. Withers clarifies our economic conceptions.

No argument is needed to convince the world of the benefits of international finance. Yet what Mr. Withers has to say on this somewhat worn subject will be read with lively interest. Great Britain's part in the development of international finance could not be more effectively stated than in the words, "She has in fact merely made the paths of her competitors straight." By covering Argentina with a network of railways and so enormously increasing its power to grow things and so to buy things, English money lenders have been making an opportunity for German shipbuilders to send liners to the Plate and for German manu-

facturers to undersell Englishmen with cheap hardware and cotton goods. And America will owe much of the ease of her prospective expansion to "spade-work done by sleepy Britishers."

There are, however, those who regard international finance as a bloated spider which entices hapless mankind into its toils and battens on bloodshed and war. Not long ago a member of Parliament said that the present war "was the result of secret diplomacy carried on by diplomatists who had conducted foreign policy in the interest of militarists and financiers." Mr. Withers does not share this view. He admits that he has a weakness for financiers, whom he has found quiet, mild, good-natured people as a rule. What they want is plenty of good business and as little as possible disturbance in the orderly course of affairs.

The fact, however, that international finance is still a remarkably tender plant, likely to be crushed and withered by any breath of popular prejudice, is rather a comforting evidence of the slight importance that mankind attaches to the question of its bread and butter. It is clear that a purely material consideration, such as the interests of international finance, and the desire of those who have invested abroad to receive their dividends, weighs very little in the balance when the nations think their honor or their national interests are at stake. The fact that war does not pay is an argument that is listened to as little by a nation when its blood is up, "as the fact that being in love does not pay would be heeded by an amorous undergraduate."

Yet it cannot now be denied that wars have happened in the past which have been furthered by British financiers believing that they suffered wrongs which only war could put right. The Egyptian war of 1882 is a case in point, and the South African War of 1899 is another. Yet these occurrences are far from proving that British diplomacy is the tool of international finance. Those who cite them as evidences of the subserviency of government to private greed are, in Mr. Withers's judgment, in danger of mistaking the tail for the dog. If Egypt had been Brazil, it is not very likely that the British fleet would have bombarded Rio de Janeiro. The bondholders would have been reminded of that sound doctrine, *caveat emptor*. The fact is, England had long before marked out Egypt as a place she wanted, and the grievances of English bondholders furnished the Government with a convenient pretext for action. The bondholders, says Mr. Withers, "might have whistled for their money until the crack of doom if it had not been that their claims chimed in with Imperial policy."

As regards South Africa, he says:

It may have been that the English mine-owners thought they could earn better profits under the British flag than under the rule of Mr. Kruger, though I am inclined to believe that even in their case their incentive was chiefly a patriotic desire to repaint in red that part of the map in which they carried on their business. . . . That acute political thinker, Mr. Dooley, of Chicago, pointed out at the time that if Mr. Kruger "had spint his life in a rale raypublic, where they burn gas," he would have given them the votes, but done the counting himself. But Mr. Kruger did not adopt this cynical expedient, and English public opinion, though a considerable majority detested the war, endorsed the determination of the Government to restore the disputed British suzerainty over the Transvaal into actual sovereignty.

It is but seldom that the past is done up for us in such

entertaining fashion. But it is the present and the future that we are chiefly concerned with, and on these subjects Mr. Withers has an enlightening word. We have discovered that the world is far from being as civilized as we had supposed, and that its inhabitants have still to be careful to see that their trade and industry are carried on in such a way as to be least likely to be hurt if ploughshares have suddenly to be beaten into swords. Yet the civilization apparently achieved prior to 1914 was "so grossly material in its successes, so forcibly feeble in its failures, so beset with vulgarity at its summit and undermined by destitution at its base," that even the horrors of the present war, with the appalling loss of the best lives of the chief nations of the earth, may be a blessing to mankind in the long run if they purge it of its notions about the things that are worth trying for.

With this insight into the spirit with which our author confronts the present and the future, the reader may take up the present work with keen anticipations. It does not pretend to be exhaustive, but is merely a by-product of a mind teeming with information perfectly digested, impregnated with a fine philosophy of life, and possessing exceptional lucidity of expression.

BOOKS OF THE WEEK

FICTION

- Bailey, H. C. *The Highwayman*. Dutton. \$1.50 net.
 Bairnsfather, B. *Bullets and Billets*. Putnam. \$1.50 net.
 Benson, A. C. *Father Payne*. Second edition. Putnam. \$1.50 net.
 Cumings, H. P. *No Craven Image*. Dutton. \$1.50 net.
 Drummond, H. *Greater than the Greatest*. Dutton. \$1.50 net.
 Gough, G. W. *The Yeoman Adventurer*. Putnam. \$1.40 net.
 Hutton, Baroness Von. *Mag Pye*. Appleton. \$1.50 net.
 Kelland, C. B. *Sudden Jim*. Harper. \$1.35 net.
 Lardner, R. W. *Gullible's Travels, etc.* Bobbs-Merrill. \$1.25 net.
 Lewis, S. *The Job*. Harper. \$1.35 net.
 Lowe, C. *Confessions of a Social Secretary*. Harper. \$1.25 net.
 Masefield, J. *Lost Endeavor*. Macmillan. \$1.50.
 Sharp, H. M. *The Stars in Their Courses*. Putnam. \$1.50 net.
 Wells, C. *The Mark of Cain*. Lippincott. \$1.35 net.

MISCELLANEOUS

- Goldsmith, R. *A League to Enforce Peace*. Macmillan. \$1.50 net.
 Ingpen, R. *Shelley in England*. Vols. I and II. Houghton Mifflin. \$5 net.
 Joyce, T. A. *Central American and West Indian Archaeology*. Putnam. \$3.75 net.
 London, J. *The Human Drift*. Macmillan. \$1.25 net.
 McComb, J. W. *The New Life*. Harper. 50 cents net.
 McCormick, H. F. *Via Pacis*. McClurg. 60 cents.
 Mukerjee, R. *The Foundations of Indian Economics*. Longmans, Green. \$3 net.
 Nadal, E. S. *A Virginian Village*. Macmillan. \$1.75 net.
 Prince, J. *Letters to a Young Housekeeper*. Houghton Mifflin. \$1.35 net.
 Six Addresses on the State of Letters and Science in Virginia, 1824-1835. Edited by A. J. Morrison. Roanoke, Va.: The Stone Printing & Manufacturing Co.
 Smith, B. W. *Only a Dog*. Dutton. \$1 net.
 Tagore, R. *The Cycle of Spring*. Macmillan. \$1.25 net.

RELIGION AND PHILOSOPHY

- Jones, W. T. *The Spiritual Ascent of Man*. Putnam. \$1.50 net.
 Robertson, E. S. *The Bible's Prose Epic of Eve and Her Sons*. Putnam. \$1.75 net.
 Snyder, W. H. *Whatsoever a Man Soweth*. Pilgrim Press. 50 cents net.

The Prudential

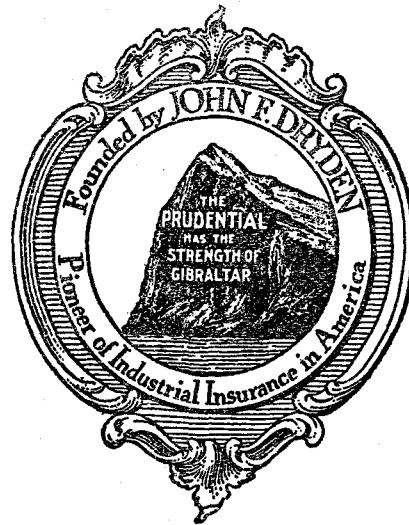
Issues

Group Insurance

A Profitable Investment For Employers

This modern form of life insurance protection covers an entire group of persons instead of treating with the individual. It is the crystallization of a definite and concise plan evolved from the experience of earlier ventures.

Group insurance has as its basic principles an appeal to the employer and an appeal to the employee. The employer bears the cost of a blanket policy on all his employees.



A Practical Protection For Employees

The promotion of mutual friendliness is an important feature. The fundamental interests of employer and employee are one. Such practical evidence of the employer's interest in his workmen as the protection of their families

by insurance without cost to them tends to establish a firm bond of good will. Group insurance cultivates loyalty and permanency of working staff, and therefore increased efficiency.

Group Insurance

Promotes a better understanding between employer and employees. It is endorsed by every concern that has tried it. Communications on this subject are solicited. Write for Booklet.

The Prudential Insurance Company of America

Incorporated under the laws of the State of New Jersey

FORREST F. DRYDEN, President

Home Office, NEWARK, N. J.